

6384. By Mr. MANLOVE: Petition of G. W. Dogle, W. G. Faigan, and 50 others, of Jasper County, Mo., against Sunday legislation; to the Committee on the District of Columbia.

6385. By Mr. MORROW: Petition of citizens of Albuquerque, N. Mex., indorsing legislation for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6386. By Mr. O'CONNELL of New York: Petition of the New York Institute for the Education of the Blind urging legislation to regulate the importation of woven goods so that blind weavers may not be put out of business; to the Committee on Interstate and Foreign Commerce.

6387. Also, petition of F. Jarka Co. (Inc.), of New York City, favoring the passage of Senate bill 3170, known as the Cummins Act; to the Committee on Interstate and Foreign Commerce.

6388. By Mr. RAMSEYER: Petition of residents of Grinnell, Iowa, urging that immediate steps be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows; to the Committee on Invalid Pensions.

6389. By Mr. ROWBOTTOM: Petition of H. R. Nevins and others that the McNary-Haugen bill be enacted into law at this session of Congress; to the Committee on Agriculture.

6390. By Mr. SINNOTT: Petition of certain citizens of Long Creek and Ritter, Oreg., with reference to further increase in pensions for veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

6391. By Mr. SOMERS of New York: Petition of citizens of the sixth congressional district, New York, in favor of Civil War pension legislation; to the Committee on Invalid Pensions.

6392. By Mr. SUMMERS of Washington: Petition signed by John A. Wyers and others, of White Salmon, Wash., protesting against the enactment of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

6393. Also, petition signed by Mark Overbaugh and others, of Portland, Oreg., protesting against the enactment of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

6394. Also, petition signed by Mrs. J. R. Hunt and others, of Bingen, Wash., protesting against the enactment of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

6395. Also, petition signed by R. A. Randall and others, of Husum, Wash., protesting against the enactment of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

6396. Also, petition signed by J. M. Buce and others, of Trout Lake, Wash., protesting against the enactment of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

6397. By Mr. SWARTZ: Petition of Abraham Lincoln Post, No. 4, Grand Army of the Republic of Colorado and Wyoming, favoring new legislation for increased pensions for veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

6398. Also, petition of Affiliated Orders of the Grand Army of the Republic, Department of Colorado and Wyoming, favoring new pension legislation providing for increases for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6399. Also, petition of W. A. Pope and others, of Harrisburg, Pa., favoring new pension legislation for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6400. By Mr. SWING: Petition of certain residents of Fullerton, Calif., urging the passage by Congress of a bill granting increased pensions to Civil War veterans and the widows of Civil War veterans; to the Committee on Invalid Pensions.

6401. Also, petition of certain residents of Orange, Calif., urging the passage by Congress of a bill providing for increased pensions to Civil War veterans and the widows of Civil War veterans; to the Committee on Invalid Pensions.

6402. Also, petition of certain residents of Santa Ana, Calif., urging the passage by Congress of a bill granting increased pensions to Civil War veterans and the widows of Civil War veterans; to the Committee on Invalid Pensions.

6403. Also, petition of certain residents of San Diego, Calif., protesting against the passage by Congress of House bills 7179, 7822, 10123, and 10311, or any other "religious" measure; to the Committee on the District of Columbia.

6404. Also, petition of certain residents of Arlington, Calif., protesting against the passage by Congress of House bill 10311 or any other bill for the compulsory observance of Sunday; to the Committee on the District of Columbia.

6405. Also, petition of certain residents of National City, Calif., protesting against the passage by Congress of House bills

7179, 7822, 10123, and 10311, or any other "religious" measure; to the Committee on the District of Columbia.

6406. Also, petition of certain residents of California, protesting against the passage by Congress of House bill 10311 or any other bill for the compulsory observance of Sunday; to the Committee on the District of Columbia.

6407. Also, petition of certain residents of California, protesting against the passage by Congress of House bill 10311 or any other bill for the compulsory observance of Sunday; to the Committee on the District of Columbia.

6408. By Mr. THOMPSON: Petition of divers citizens of Putnam County, Ohio, urging passage of more liberal pension legislation for veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

6409. By Mr. THURSTON: Petition of citizens of Chariton, Iowa, and vicinity, urging an increased compensation for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6410. Also, petition of citizens of Shambaugh, Iowa, and vicinity, urging an increased compensation for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6411. Also, petition of citizens of Shambaugh, Iowa, and vicinity, urging an increased compensation for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6412. By Mr. WASON: Petition of Margaret A. Day, Bertwell E. Root, and Carl Day, three citizens of Berlin, N. H., urging that immediate action be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

6413. Also, petition of Stephen M. Thornton and 43 other citizens of Cornish Flat, N. H., urging that immediate steps be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

6414. Also, petition of Oliver P. Murdick and 13 other residents of Keene, N. H., urging that immediate action be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

6415. Also, petition of William B. Graham and eight other residents of Greenville, N. H., urging that immediate action be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

6416. Also, petition of Mary A. Traxler and 63 other residents of Bennington, N. H., urging that immediate action be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

6417. By Mr. WOLVERTON: Petition of Mrs. O. M. Ward and other residents of Upshur County, W. Va., urging the passage of the bill now pending in Congress for the relief of Civil War widows; to the Committee on Invalid Pensions.

6418. Also, petition of Lucretia Gum and other residents of Harrison County, W. Va., asking that the bill now pending in Congress for the relief of Civil War widows be passed; to the Committee on Invalid Pensions.

SENATE

THURSDAY, February 10, 1927

(Legislative day of Wednesday, February 9, 1927)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H. R. 16888) granting the consent of Congress to the Paducah Board of Trade (Inc.), of Paducah, Ky., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were thereupon signed by the Vice President:

S. 5197. An act to authorize an appropriation for reconnaissance work in conjunction with the middle Rio Grande con-

servancy district to determine whether certain lands of the Cochiti, Santo Domingo, San Felipe, Santa Ana, Sandia, and Isleta Indians are susceptible of reclamation, drainage, and irrigation; and

H. R. 11601. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, etc.

LIMITATION OF NAVAL ARMAMENT (H. DOC. NO. 703)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying memorandum, referred to the Committee on Foreign Relations and ordered to be printed:

To the Congress of the United States:

Pursuant to my instructions the American ambassadors at London, Paris, Rome, and Tokyo will to-day present to the Governments of Great Britain, France, Italy, and Japan a memorandum suggesting that they empower their delegates at the forthcoming meeting of the preparatory commission for the disarmament conference at Geneva to negotiate and conclude at an early date an agreement further limiting naval armament, supplementing the Washington treaty on that subject, and covering the classes of vessels not covered by that treaty. I transmit herewith, for the information of the Congress, a copy of this memorandum.

I wish to inform the Congress of the considerations which have moved me to take this action.

The support of all measures looking to the preservation of the peace of the world has been long established as a fundamental policy of this Government. The American Government and people are convinced that competitive armaments constitute one of the most dangerous contributing causes of international suspicion and discord and are calculated eventually to lead to war. A recognition of this fact and a desire as far as possible to remove this danger led the American Government in 1921 to call the Washington conference.

At that time we were engaged in a great building program which, upon its completion, would have given us first place on the sea. We felt then, however, and feel now, that the policy we then advocated—that of deliberate self-denial and limitation of naval armament by the great naval powers—promised the attainment of at least one guarantee of peace, an end worthy of mutual adjustment and concession.

At the Washington conference we found the other nations animated with the same desire as ourselves to remove naval competition from the list of possible causes of international discord. Unfortunately, however, it was not possible to reach agreements at Washington covering all classes of naval ships. The Washington treaty provided a specific tonnage limitation upon capital ships and aircraft carriers, with certain restrictions as to size and maximum caliber of guns for other vessels. Every nation has been at complete liberty to build any number of cruisers, destroyers, and submarines. Only size and armament of cruisers were limited. The signatories of the Washington treaty have fulfilled their obligations faithfully and there can be no doubt that that treaty constitutes an outstanding success in its operation.

It has been the hope of the American Government, constantly expressed by the Congress since the Washington conference, that a favorable opportunity might present itself to complete the work begun here by the conclusion of further agreements covering cruisers, destroyers, and submarines. The desirability of such an agreement has been apparent, since it was only to be expected that the spirit of competition, stifled as regards capital ships and aircraft carriers by the Washington treaty, would, sooner or later, show itself with regard to the other vessels not limited under the treaty. Actually, I do not believe that competitive building of these classes of ships has begun. Nevertheless, far-reaching building programs have been laid down by certain powers, and there has appeared in our own country, as well as abroad, a sentiment urging naval construction on the ground that such construction is taking place elsewhere. In such sentiments lies the germ of renewed naval competition.

I am sure that all governments and all peoples would choose a system of naval limitation in preference to consciously reverting to competitive building. Therefore, in the hope of bringing about an opportunity for discussion among the principal naval powers to ascertain whether further limitation is practicable, I have suggested to them that negotiations on this subject should begin as soon as possible.

The moment seems particularly opportune to try to secure further limitation of armament in accordance with the ex-

pressed will of the Congress. The earnest desire of the nations of the world to relieve themselves in as great a measure as possible of the burden of armaments and to avoid the dangers of competition has been shown by the establishment of the preparatory commission for the disarmament conference, which met in Geneva last May, and which is continuing its work with a view to preparing the agenda for a final general conference. For more than six months, representatives of a score or more of nations have examined from all points of view the problem of the reduction and limitation of armaments. In these discussions it was brought out very clearly that a number of nations felt that land, sea, and air armaments were interdependent and that it would be difficult, if not impossible, to agree upon the limitation of one type of armament without simultaneously limiting the other types.

The consequence to be feared is that a deadlock will be reached should even partial progress in the reduction of armaments be conditioned upon the acceptance of some universal plan covering land, sea, and air forces together. If the prospective deadlock can not be broken, it is probable that little progress will be made for the time being. It appears to me to be the duty of this Government, which has always advocated limitation of armaments, to endeavor to suggest some avenue by which concrete results may be achieved even though such results may be short of an ultimate ideal solution for the threefold problem of land, sea, and air armament.

Our delegates at Geneva have consistently expressed the view that under conditions as they exist in the world to-day the problems of land and air armaments are most susceptible of solution by regional agreements covering regions within which the land or air armaments of one country could constitute a potential threat to another country. Geographical continents have been suggested as regions appropriate for land and air limitation agreements.

The American land and air force constitute a threat to no one. They are at minimum strength; their reduction has been suggested by no one as a necessary condition precedent to general arms limitation. This reduction of our land forces has been rendered possible by our favored geographical position. I realize that the problems of armaments on land and in the air in Europe are beset with difficulties which in all justice we must recognize and, although this Government will always be ready to lend its assistance in any appropriate way to efforts on the part of European or other governments to arrive at regional agreements limiting land and air forces, it would hesitate to make specific proposals on this subject to European nations.

The problem of the limitation of naval armament, while not regional in character or susceptible of regional treatment, has been successfully treated, in part, by an agreement among the five leading naval powers, and, in my opinion, can be definitely dealt with by further agreements among those powers.

It will be a contribution to the success of the preliminary work now going on at Geneva should the great naval powers there agree upon a further definite limitation of naval armament.

It is my intention that the American representatives at Geneva should continue to discuss with the representatives of the other nations there the program for a general limitation of armaments conference. If such a conference should be possible in the future, on a basis generally acceptable, this Government would, of course, be highly gratified. Pending the formulation of the plan for such a general conference, however, I believe that we should make an immediate and sincere effort to solve the problem of naval limitation, the solution of which would do much to make the efforts toward more general limitation successful.

CALVIN COOLIDGE

THE WHITE HOUSE, February 10, 1927.

ENFORCEMENT OF THE ANTINARCOTIC AND PROHIBITION LAWS

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury relative to the lack of authority of the Treasury Department to use any portions of the appropriations for antinarcotic and prohibition-enforcement work as advance funds, and transmitting a draft of proposed legislation as follows: "That notwithstanding the provisions of section 3648 of the Revised Statutes such amounts of the total sums now and hereafter appropriated for expenses to enforce the act of December 17, 1914, known as the Harrison narcotic law, as amended, and the act of May 26, 1922, known as the narcotic drug import and export act, and the national prohibition act, as may be deemed necessary by the Secretary of the Treasury, with the approval of the President, shall be available for advances to be made by special disbursing agents," which, with the accompanying paper, was referred to the Committee on Appropriations.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a communication from the Assistant Secretary of Labor, reporting, pursuant to law, that papers are on file in the Bureau of Immigration, the Bureau of Labor Statistics, and the United States Employment Service which are no longer useful in the transaction of public business and possess no historic interest, and recommending action looking to their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments. The Vice President appointed Mr. COUZENS and Mr. CARAWAY members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a petition, which was ordered to lie on the table and to be printed in the RECORD, as follows:

DEPARTMENT OF STATE, STATE OF NORTH DAKOTA,
Bismarck, N. Dak., February 9, 1927.

PRESIDENT OF THE SENATE,

Sixty-ninth Congress, Washington, D. C.

To all whom these presents shall come:

I, Robert Byrne, secretary of state of the State of North Dakota, do hereby certify that the following concurrent resolution was adopted by the twentieth legislative assembly on the 19th day of January, 1927:

A concurrent resolution requesting Congress to enact legislation for stabilization of the price of agricultural products, thereby placing agriculture on an equal basis with other industries

Be it resolved by the House of Representatives of the State of North Dakota (the Senate concurring)—

Whereas agriculture is the basic industry of this Nation; and

Whereas we believe the stability and prosperity of agriculture is essential to the prosperity and general welfare of the people of this Nation; and

Whereas agricultural products are being sold below cost of production, which condition is bankrupting farmers, causing heavy decrease in farm population, failure of banks, and adversely affecting other business; and

Whereas the American farmers are, under present conditions, placed upon a competitive basis with cheaper labor of foreign countries, which is contrary to the recognized policy of the United States: Now, therefore, be it

Resolved, That the House of Representatives of the State of North Dakota (the Senate concurring) most respectfully urge upon the Congress of the United States the early enactment of the McNary-Haugen bill; and be it further

Resolved, That the secretary of state of the State of North Dakota be, and is hereby, instructed to forward a duly authenticated copy of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and to each Representative of the State of North Dakota in the United States Senate and House of Representatives.

JOHN W. CARR,
Speaker of the House.

C. R. VERRY,
Chief Clerk of the House.

WALTER MADDOCK,
President of the Senate.

W. D. AUSTIN,
Secretary of the Senate.

ROBERT BYRNE,
Secretary of State.

The VICE PRESIDENT also laid before the Senate resolutions adopted by the City Council of Chicago, Ill., favoring the passage of the so-called Walsh bill, granting authority to the United States Veterans' Bureau to use the funds in the control of said bureau for making loans direct to World War veterans on their adjusted-service certificates, which were referred to the Committee on Finance.

The VICE PRESIDENT also laid before the Senate a communication in the nature of a petition from the thirtieth consecutive constitutional convention of United Mine Workers of America, recently held in the city of Indianapolis, Ind., praying a thorough investigation of the relation of freight-rate discriminations to the extreme depression of the coal industry of Indiana, Ohio, Pennsylvania, and Illinois, and the adequacy of existing law to afford relief in the premises, etc., which was referred to the Committee on Interstate Commerce.

Mr. DILL presented a memorial of sundry citizens of Okanogan, Wash., remonstrating against the passage of the bill (S. 4821) to provide for the closing of barber shops in the District of Columbia on Sunday, on the ground that it is class legislation, which was referred to the Committee on the District of Columbia.

Mr. FRAZIER presented the petitions of George M. McCanna and 19 other citizens of McCanna, and of J. O. Severt-

son and 39 other citizens of Shenyenne, all in the State of North Dakota, praying for the prompt passage of the so-called White radio control bill without amendment, which were ordered to lie on the table.

Mr. COPELAND presented petitions of sundry citizens of New York City and Brooklyn, N. Y., praying for the prompt passage of legislation granting increased pensions to Civil War veterans and their widows, which were referred to the Committee on Pensions.

He also presented memorials numerously signed by sundry citizens of New York City and Brooklyn, N. Y., remonstrating against the passage of the bill (S. 4821) to provide for the closing of barber shops in the District of Columbia on Sunday, or any other legislation of a religious character, which were referred to the Committee on the District of Columbia.

Mr. WILLIS presented memorials of sundry citizens of Mount Vernon, Parkersburg, and vicinity, all in the State of Ohio, remonstrating against the passage of the bill (S. 4821) to provide for the closing of barber shops in the District of Columbia on Sunday or any other legislation of a religious character, which were referred to the Committee on the District of Columbia.

Mr. ERNST (by request) presented a memorial of sundry citizens of Lebanon, Ohio, remonstrating against the passage of the bill (S. 4821) to provide for the closing of barber shops in the District of Columbia on Sunday or any other legislation religious in character, which was referred to the Committee on the District of Columbia.

Mr. GILLET presented petitions numerously signed by sundry citizens in the State of Massachusetts, praying for the prompt passage of legislation granting increased pensions to Civil War veterans and their widows, which were referred to the Committee on Pensions.

Mr. OVERMAN presented memorials of sundry citizens of Charlotte, Statesville, Hildebran, Lumberton, and Eufala, all in the State of North Carolina, remonstrating against the passage of the bill (S. 4821) to provide for the closing of barber shops in the District of Columbia on Sunday or any other legislation religious in character, which were referred to the Committee on the District of Columbia.

He also presented a petition of sundry citizens of Gastonia, N. C., praying for the passage of legislation granting increased compensation to employees of the United States Custodian Service, with a minimum wage of \$1,200 per annum, which was referred to the Committee on Appropriations.

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Pensions Committee a resolution recently adopted by members of P. G. Bier Post, No. 17, Department of West Virginia, Grand Army of the Republic, of New Martinsville, W. Va.

There being no objection, the resolution was referred to the Committee on Pensions and ordered to be printed in the RECORD, as follows:

P. G. BIER POST, No. 17,
DEPARTMENT OF WEST VIRGINIA, G. A. R.,
New Martinsville, W. Va., February 5, 1927.

HON. M. M. NEELY,

United States Senate, Washington, D. C.

DEAR MR. NEELY: We, the members of the P. G. Bier Post, No. 17, of the Grand Army of the Republic, of New Martinsville and Sistersville, of the counties of Wetzel and Tyler, W. Va., at a joint meeting of said post and at a regular meeting, unanimously adopted the following resolution, that the pension bill now before Congress, known as the National Tribune bill, to raise the minimum pension of the Civil War soldiers to a minimum of \$72, and \$125 for totally disabled soldiers, and all widows of the Civil War married before 1915 to receive \$50 per month.

The purpose of this petition is to have you and other members of the Senate and House to favor the said bill, as we are much interested in it being passed, particularly the part that goes to pensioning the widows of the Civil War veterans, as many of them have spent the better part of their life in waiting on and taking care of the veterans without any apparent or real compensation therefor.

The post further finds that I. W. Johnston, commander of said post do make up said petition and sign the same in behalf of the post and all of its members thereof, which I am hereby accordingly doing.

I. W. JOHNSTON,
Commander of P. G. Bier Post, No. 17, of the
G. A. R. of West Virginia, Mobley, W. Va.
P. S.: Please file this with the Pension Committee.

REPORTS OF COMMITTEES

Mr. WARREN, from the Committee on Appropriations, to which was referred the bill (H. R. 16863) making appropriations for the legislative branch of the Government for the fiscal year

ending June 30, 1928, and for other purposes, reported it with amendments and submitted a report (No. 1442) thereon.

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (S. 2886) for the relief of Barzilla William Bramble, reported it without amendment and submitted a report (No. 1443) thereon.

Mr. BAYARD, from the Committee on Claims, to which was referred the bill (H. R. 10111) for the relief of D. Murray Cummings, reported it without amendment and submitted a report (No. 1444) thereon.

Mr. TRAMMELL, from the Committee on Claims, to which was referred the bill (S. 4687) for the relief of Paul D. Carlisle, reported it without amendment and submitted a report (No. 1445) thereon.

He also, from the same committee, to which was referred the bill (S. 5398) granting relief to Thomas M. Livingston, reported it with amendments and submitted a report (No. 1446) thereon.

Mr. NYE, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 4739) for the relief of Harry C. Ford (Rept. No. 1447);

A bill (S. 5348) for the relief of Ira E. King (Rept. No. 1448); and

A bill (H. R. 2320) for the relief of Delmore A. Teller (Rept. No. 1449).

Mr. HOWELL, from the Committee on Claims, to which was referred the bill (S. 3653) for the relief of John H. Potter, submitted an adverse report (No. 1450) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 872) for the relief of George A. Robertson (Rept. No. 1451); and

A bill (H. R. 3069) for the relief of Charles O. Dunbar (Rept. No. 1452).

Mr. HOWELL also, from the Committee on Claims, to which was referred the bill (S. 4495) for the relief of Gustav E. Boettcher, reported it with an amendment and submitted a report (No. 1453) thereon.

Mr. MEANS, from the Committee on Claims, to which was referred the bill (S. 1909) for the refund of estate tax erroneously collected, reported it without amendment and submitted a report (No. 1454) thereon.

Mr. JOHNSON, from the Committee on Foreign Relations, to which was referred the joint resolution (S. J. Res. 159) amending the act of May 13, 1924, entitled "An act providing a study regarding the equitable use of the waters of the Rio Grande," etc., reported it with an amendment and submitted a report (No. 1455) thereon.

Mr. ODDIE, from the Committee on Mines and Mining, to which was referred the bill (S. 5329) to authorize increased appropriations for the United States Bureau of Mines, and for other purposes, reported it without amendment.

Mr. GOODING, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 5506) authorizing and directing the Comptroller General of the United States to make payments of certain claims or to allow credit to disbursing agents of the Bureau of Reclamation, Department of the Interior, in certain cases, reported it with amendments and submitted a report (No. 1456) thereon.

MAJ. CHARLES BEATTY MOORE

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to report from the Committee on Foreign Relations the bill (S. 5259) granting permission to Maj. Charles Beatty Moore, United States Army, to accept the following decorations, namely, the Legion of Honor tendered him by the Republic of France, and the officers' cross of the order Polonia Restituta tendered him by the Republic of Poland. I ask unanimous consent for its present consideration.

Mr. CURTIS. There is no objection to the bill.

There being no objection, the bill was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That Maj. Charles Beatty Moore, United States Army, be authorized to accept the following decorations, namely (1) the Legion of Honor tendered him by the Republic of France, and (2) the officers' cross of the order Polonia Restituta tendered him by the Republic of Poland, and that the Department of State be permitted to deliver the said decorations to Maj. Charles Beatty Moore, United States Army.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBINSON of Arkansas. I ask leave to have printed in the RECORD in connection with the bill a House committee report on a similar bill.

There being no objection, the House committee report was ordered to be printed in the RECORD, as follows:

[H. Rept. No. 1884, 69th Cong. 2d sess.]

PERMITTING MAJ. CHARLES BEATTY MOORE TO ACCEPT DECORATIONS FROM FOREIGN COUNTRIES

Mr. HILL of Alabama, from the Committee on Military Affairs, submitted the following report to accompany H. R. 16563:

The Committee on Military Affairs, to which was referred the bill (H. R. 16563) granting permission to Maj. Charles Beatty Moore, United States Army, to accept the following decorations, namely, the Legion of Honor, tendered him by the Republic of France, and the officers' cross of the order Polonia Restituta, tendered him by the Republic of Poland, having considered the same, report thereon with the recommendation that it do pass.

This is a measure to permit an officer of the United States Army to accept several decorations bestowed upon him by foreign governments during his service at Warsaw and Paris.

The translation of the awards read as follows:

[Translation of Polish copy of diploma]

The chancellor of the order Polonia Restituta certifies that the President of the Republic, by decree of August 7, 1924, has placed Maj. Charles Beatty Moore, attaché of the American Legation, Warsaw, on the roster of knights of the Polonia Restituta, awarding him the decoration of officer's cross of this order.

[SEAL:	JAN KOCHANOWSKI,
CHANCELLOR OF THE ORDER	Chancellor.
POLONIA RESTITUTA.]	BOLESŁAW OLSZEWSKI, General,
	Secretary.

No. 153.

KAZIMIERZ OTWINOWSKI.

[Translation of French copy of diploma]

NATIONAL ORDER OF THE LEGION D'HONNEUR

The great chancellor of the National Order of the Legion d'Honneur certifies that by decree of July 31, 1926, the President of the Republic of France has conferred upon Maj. Charles B. Moore, of the American Army, assistant military attaché to the American Embassy in Paris, the decoration of the chevalier of the National Order of the Legion d'Honneur.

Paris, August 13, 1926.

GENERAL DUBOIT.

Seen, sealed, registered. No. 33595.

[SEAL:	J. RENAULT,
CHANCERY OF THE LEGION D'HONNEUR	The Chief of the First Bureau.
REPUBLIC OF FRANCE.]	

[Translation]

REPUBLIC OF FRANCE,

Paris, September 3, 1926.

From: Ministry of War, Second Bureau, General Staff. No. 6941 2/11 S. M.

SIR: I have the honor to express my heartiest compliments for the Croix de Chevalier de la Legion d'Honneur which has been conferred upon you by decree of July 31, 1926.

The badge and diploma will be forwarded to you care of General Dumont, French military attaché to Washington, to whom I have not neglected to address them.

I am very happy that the proposition made by the general staff on this subject could be given satisfaction and beg to express, sir, the assurance of my high esteem and the most cordial remembrances.

V. DUMONT,

The Chief of Second Bureau, General Staff.

Monsieur CHARLES B. MOORE,

Care of Col. Bentley Mott, Military Attaché,
American Embassy, 5 rue Chaillet, Paris.

Other officers having been permitted to accept decorations by the enactment of the necessary legislation, your committee feels it is but fair to Major Moore to urge favorable action on this measure.

BRIDGE BETWEEN CEDAR POINT AND DAUPHIN ISLAND, ALA.

Mr. STEWART. From the Committee on Commerce I report back favorably with amendments the bill (S. 5596) granting the consent of Congress to Dauphin Island Railway & Harbor Co., its successors and assigns, to construct, maintain, and operate a railroad bridge and approaches thereto and/or a causeway or toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, and I submit a report (No. 1457) thereon. I ask unanimous consent for its present consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments were, on page 1, line 6, after the word "bridge" to strike out the comma and "viaduct, or causeway"; on page 2, line 16, before the word "years" to strike out "ten" and insert "twenty"; in line 19, before the word "or" to insert a comma and the words "going value"; in line 21, after the word "approaches" to strike out "including interest during construction and general expense properly chargeable to capital account"; in line 24, after the word "value" to strike out the comma and the words "if any"; on page 3, line 3, after the word "property" to strike out the semicolon and insert a comma and the word "and"; in line 4, after the word "improvement" to strike out the semicolon and the following: "and the net accumulated deficit under a fair return (namely, 8 per cent upon the properly recorded book value thereof), if any, in operating income resulting from the operation of such bridge or viaduct from the time of completion thereof to the time of condemnation, according to the principles of accounting for similar or comparable operations prescribed for railroads by the Interstate Commerce Commission; subject, as to original cost, to the provisions of section 4" and in line 22, after the word "twenty" to insert a hyphen and the word "five," so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to Dauphin Island Railway & Harbor Co., its successors and assigns, to construct, maintain, and operate a railroad and/or highway bridge, and approaches thereto, at a point suitable to the interests of navigation, between Cedar Point and Dauphin Island, Little or Big, Mobile County, Ala., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. After the completion of such bridge, as determined by the Secretary of War, either the State of Alabama, any political subdivision thereof within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interests in real property necessary therefor, by purchase or condemnation in accordance with the laws of such State governing the acquisition of private property for public purposes by condemnation. If at any time after the expiration of 20 years after the completion of such bridge the same is acquired by condemnation, the amount of damages or compensation to be allowed shall not include any allowance for good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion cost, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interest in real property; and (4) actual expenditures for necessary improvements.

SEC. 3. If such bridge shall at any time be taken over or acquired by any municipality or other political subdivision or subdivisions of the State of Alabama under the provisions of section 2 of this act, and if tolls are charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the cost of maintaining, repairing, and operating the bridge and its approaches, and to provide a sinking fund sufficient to amortize the amount paid for such bridge and its approaches as soon as possible under reasonable charges, but within a period of not to exceed 25 years from the date of acquiring the same. After a sinking fund sufficient to amortize the cost of acquiring the bridge and its approaches shall have been provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of tolls shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper care, repair, maintenance, and operation of the bridge and its approaches. An accurate record of the amount paid for the bridge and its approaches, the expenditures for operating, repairing, and maintaining the same, and of daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 4. The Dauphin Island Railway & Harbor Co., its successors and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War a sworn itemized statement showing the actual original cost of constructing such bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion cost. The Secretary of War may at any time within three years after the completion of such bridge investigate the actual cost of constructing the same, and for such purpose the said Dauphin Island Railway & Harbor Co., its successors and assigns, shall make available all of its records in connection with the financing and the construction thereof. The findings of the Secretary of War as to the actual original cost of the bridge shall be conclusive, subject only to review in a court of equity for fraud or gross mistake.

SEC. 5. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to Dauphin Island Railway & Harbor Co., its successors and assigns,

and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure, or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 6. That the United States, having discontinued and sold to the city of Mobile, Ala., the military reservation on Dauphin Island and having no further present interest in the acquisition of lands on said island, the conditions and options to repurchase reserved to the United States by that certain deed dated, to wit, September 18, 1911, executed by the Assistant Secretary of War conveying certain lands to said Dauphin Island Railway & Harbor Co. under authority of the act approved March 4, 1911, are hereby waived and discharged.

SEC. 7. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill granting the consent of Congress to Dauphin Island Railway & Harbor Co., its successors and assigns, to construct, maintain, and operate a railroad bridge and approaches thereto and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island."

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FRAZIER:

A bill (S. 5665) to reorganize the administration of the Federal intermediate credit bank system, to create a Federal intermediate credit bureau, and for other purposes; to the Committee on Banking and Currency.

By Mr. WADSWORTH:

A bill (S. 5666) for the relief of the owners of the sailing vessel *Creeksea* and all owners of cargo laden on board thereof at the time of her collision with the United States destroyer *Sands*; to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 5667) to exempt employees of the public-school system of the District of Columbia from the \$2,000 salary limitation provision of the legislative, executive, and judicial appropriation act, approved May 10, 1916, as amended; to the Committee on the District of Columbia.

By Mr. REED of Pennsylvania:

A bill (S. 5670) to amend the World War veterans' act of 1924 as amended; to the Committee on Finance.

By Mr. WADSWORTH:

A joint resolution (S. J. Res. 160) directing and providing for the assembly, inventory, classification, preparation for publication, and publication of the official records and maps relating to the participation of the military and naval forces of the United States in the World War, and authorizing appropriations therefor; to the Committee on Military Affairs.

HOUSE BILL REFERRED

The bill (H. R. 16888) granting the consent of Congress to the Paducah Board of Trade (Inc.), of Paducah, Ky., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River was read twice by its title and referred to the Committee on Commerce.

AMENDMENTS TO FARM RELIEF BILL

Mr. MOSES submitted sundry amendments intended to be proposed by him to the bill (S. 4808) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities, which were ordered to lie on the table and to be printed.

CHANGE OF TITLE OF UNITED STATES COURT OF CUSTOMS APPEALS

Mr. METCALF submitted an amendment intended to be proposed by him to the bill (H. R. 16222) to change the title of the United States Court of Customs Appeals, and for other purposes, which was referred to the Committee on the Judiciary and ordered to be printed.

AMENDMENT TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. HARRELD submitted an amendment intended to be proposed by him to the second deficiency appropriation bill for the fiscal year 1927, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill to insert:

"That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow the claim of Charles J. Hunt for compensation in the sum of \$1,238.33 for services as financial clerk

in the office of the Superintendent for the Five Civilized Tribes, at Muskogee, Okla., from April 25, 1926, to September 8, 1926, inclusive; which services were at the rate of \$3,300 per annum, and which claim was disallowed by the Comptroller General in his settlement dated January 27, 1927."

FOREIGN COMMERCE SERVICE

MR. WILLIS. Mr. President, I desire to call the attention of Senators to a certain bill and then ask permission to print in the RECORD a letter relative to that bill.

The bill is Calendar No. 719, H. R. 3858, to establish in the Bureau of Foreign and Domestic Commerce of the Department of Commerce a foreign commerce service of the United States, and for other purposes. The bill has passed the House and has been reported favorably from the Senate Committee on Commerce, such report having been made on April 29 last. It is a measure of the greatest importance to the business interests of the country. I was about to say that I know of no opposition to it; but I do know of a little opposition to it on the part of the Senator from Utah [Mr. KING]. However, I think that opposition can be allayed.

I simply call attention to the bill now in order that Senators may have an opportunity to examine it. At the earliest opportunity, as soon as the measures before the Senate having the right of way can be disposed of, I shall seek to call up the measure to which I refer.

I ask permission to have printed in the RECORD at this point the letter of M. B. Garber, of Orrville, Ohio.

THE VICE PRESIDENT. Without objection, leave is granted. The letter is as follows:

ORRVILLE, OHIO, February 8, 1927.

Hon. FRANK B. WILLIS,

Senator from Ohio, Washington, D. C.

Subject: Hoch bill (H. R. 3858) establishing status of Bureau of Foreign and Domestic Commerce.

DEAR SIR: We understand that the above bill is about to be released for action of both the Senate and the House. It is also our understanding that this bill establishes a definite legal status for the Bureau of Foreign and Domestic Commerce of the Department of Commerce, which heretofore has been maintained by annual appropriations. When such appropriations might fail the service would be destroyed.

As one of your manufacturing constituents, we want to say that for many years we have found the Bureau of Foreign and Domestic Commerce a very great help in what export business we do. It has been a wonderful service, especially since the Department of Commerce has been under Secretary Hoover, and we feel that anything that might be done to establish its permanency would be of great benefit to the country at large and to manufacturers who are looking for foreign outlets for their products.

We, therefore, stand in favor of this measure and recommend it for your consideration.

Most respectfully yours,

THE SANDERSON-CYCLONE DRILL CO.,
M. B. GARBER, Sales Manager.

THE CATHOLICS OF THE SOUTH

MR. BRUCE. Mr. President, I would like to have inserted in the RECORD at this point, as a part of my remarks, a very interesting and valuable letter written by Mr. George Gordon Battle, a distinguished New York lawyer, to the editor of the New York World. It is entitled "The Catholics of the South." It sets forth the extent to which the Catholic element in the South is intimately and inseparably associated with everything that is best in the history and in the traditions and in the spirit of the South.

THE VICE PRESIDENT. Without objection, it is so ordered. The letter is as follows:

THE CATHOLICS OF THE SOUTH

NEW YORK, June 29, 1924.

TO THE EDITOR OF THE WORLD.

SIR: It is well known that Gov. Alfred E. Smith, of New York, is a member of the Catholic Church; and that fact is frequently mentioned in discussing his merits as a candidate for President. His high character and spotless record, his great ability and experience in public affairs, and his extraordinary popularity with all classes of voters are conceded. But the fact that he worships God according to the dictation of his conscience, in the church to which his parents belonged and in which he was reared, is whispered about as an argument against his candidacy.

It is said by some that this prejudice is peculiarly strong in the Southern States. This should not be so, for of all the sections of this country the South has claimed, and with reason, to be most free from bigotry and religious intolerance. And certainly there is no part of our country that owes a greater debt of gratitude to the members of that ancient church in whose fold our governor is to be found.

As a man of southern birth and traditions, a Protestant, and a Mason, I protest with all the strength of which I am capable against any effort to import into my native South considerations and emotions of medieval and outworn bigotry—old, unhappy, far-off things. The South has always prided itself upon its early establishment of religious freedom. It was in Maryland that Lord Baltimore and his government promulgated the toleration act of 1649. It was a Virginian, Thomas Jefferson, the founder of the Democratic Party, who was so devoted to this cause that he considered his authorship of the Virginia statute of religious freedom of 1786 as his chief title to fame, causing that fact to be inscribed in his epitaph, although he did not state in that epitaph that he had been twice President of the United States and had effected the Louisiana Purchase. In this statute which was drawn by him it is said:

"Our civil rights have no dependence on our religious opinions more than on our opinions on physics or geometry; that therefore the proscribing of any citizen as unworthy to public confidence by laying upon him an incapacity of being called to the offices of trust and emolument, unless he professes or renounces this or that religious opinion, is depriving him unjustly of those privileges and advantages to which, in common with his fellow citizens, he has a natural right."

The Democratic Party, which Mr. Jefferson founded, has under Jackson, Van Buren, Cleveland, and Wilson followed those noble principles enunciated in the great Virginia charter of liberty.

And, furthermore, the southern Catholics have always lived in peace and amity with their Protestant neighbors. They have formed an honorable and an important part of their respective communities, and they have done their full duty in building up the country in which they have made their homes. In Maryland, Charles Carroll of Carleton was the wealthiest man of the period. He signed the Declaration of Independence and devoted his life and his fortune to the cause of his country. Always in Maryland members of the Catholic Church have been among the most distinguished citizens. The late and lamented Cardinal Gibbons was beloved and revered not only throughout the South but by the entire Nation.

James Ryder Randall, the author of the noble anthem, "Maryland, My Maryland," was a Catholic. In Louisiana, with its phases of French and Spanish domination, there has always been a very large Catholic population, which played a great part in the history of that State. In this connection it is interesting to note that the two Chief Justices of our Supreme Court who were of the Catholic faith were both of southern birth and antecedents—Chief Justice Taney, of Maryland, and Chief Justice White, of Louisiana.

And in the other Southern States, while the Catholics have not been so numerous, many of them have held high office, and they have always been among the best citizens. In North Carolina, for example, Judge William Gaston, of Newbern, a devout Catholic and an early student at Georgetown University, was for many years a judge of the highest court, and by common consent, one of the most prominent, useful, and beloved men of his time. At his death the General Assembly of North Carolina passed resolutions deploring his loss and stating "that in the course of a long and varied life his bright career has left to us an example worthy of imitation, and his unsullied character is one of the brightest jewels of the State." He was the author of the State anthem beginning with the words: "Carolina! Carolina! Heaven's blessings attend her."

And in all the Southern States there have been like instances of eminent and beloved men and women who have been members of this ancient faith. Gov. John Floyd, of Virginia, and his son, John B. Floyd, also governor of that State, were Catholics. There have been very many distinguished members of the Johnston family of Virginia who belonged to the same church.

But it was when the need of the South was greatest that its Catholic sons and daughters stood nobly by its flag and its destinies, offering up freely their lives and fortunes for the cause which they, in common with their fellow countrymen, deemed to be right. Many of their great chieftains were of this religious belief. General Beauregard and General Hardee were lifelong Catholics. General Longstreet died in that faith. Admiral Raphael Semmes, who carried the Confederate flag upon the *Shenandoah* in all the seven seas, was a follower of the same faith. Col. John W. Mallet, who was at the head of the ordnance service, making munitions of war for the Confederate Government, was a Catholic. Gen. Patrick R. Cleburne, who laid down his life for the southern cause, was a Catholic, and so was Gen. William Lewis Cabell and very many others who followed the standards of Lee and of Jackson.

And those Catholics served the cause of the South with their pens as well as by their swords. Theodore O'Hara, who was in the Confederate Army, wrote the beautiful and well-known poem, *The Bivouac of the Dead*, which referred, however, to the burial of southern troops killed in the Mexican War.

The southern air of Dixie was written by a Catholic, Daniel Emmett. The stirring war song, *Hurrah! Hurrah!* For the Bonnie Blue Flag that Bears a Single Star, was written by another Catholic, Capt. Harry McCarthy, of Arkansas. And we of the South can never forget the touching and immortal lines of the poet-laureate of the Lost Cause,

Father Ryan, a Franciscan priest, who died in a monastery at Louisville. We remember, among our earliest recollections, the stanzas of *The Conquered Banner* and of *The Sword* of Robert Lee. I venture to quote three verses from *The Conquered Banner*:

Furl that banner, for 'tis weary;
Round its staff 'tis drooping dreary;
Furl it, fold it, it is best;
For there's not a man to wave it,
And there's not a sword to save it
And there's not one left to lave it
In the blood which heroes gave it;
And its foes now scorn and brave it;
Furl it, hide it—let it rest!
For, though conquered, they adore it!
Love the cold, dead hands that bore it!
Weep for those who fell before it!
Pardon those who trailed and tore it!
But, oh! wildly they deplore it,
Now who furl and fold it so.
Furl that banner, softly, slowly!
Treat it gently—it is holy—
For it droops above the dead.
Touch it not—unfold it never,
Let it droop there furled forever,
For it droops above the dead.

And we can never forget the last lines of *The Sword* of Robert E. Lee:

Forth from its scabbard all in vain
Bright flashed the sword of Lee;
'Tis shrouded now in its sheath again,
It sleeps the sleep of our noble slain,
Defeated, yet without a stain,
Proudly and peacefully.

Father Ryan was chaplain in the Confederate Army; his brother, Capt. David J. Ryan, was killed in that service. It is hard to see how any man of southern memories can bear any rancor against a faith which has produced such friends of his native land.

And after the War between the States, when it was sought by the more bitter enemies of the South to convict and execute President Davis, a great Catholic lawyer, Charles O'Connor, the leader of the bar of the whole country, volunteered without fee to defend the cause of Mr. Davis, which he believed to be just. And he was assisted by Mr. Richard Henry Clarke, another distinguished Catholic counsel. At the same time, Mrs. Jefferson Davis was a fugitive in Georgia, deserted and penniless. While her husband was being freely defended by Catholic counsel of northern birth, she was herself aided by Sisters of Charity, who, according to the memoirs of Mrs. Davis, offered her \$5 in gold, the sum total of their savings, and took over the care of her sick children.

And at a still later day in the dark period of reconstruction, it was to the democracy of New York, of New Jersey, and of Connecticut, largely led by Catholic statesmen, that the South looked for protection against the legislation by which the bigots of the Republican Party were striving to humiliate and to destroy her. Such men as Senator Kernan and Senator Murphy, of New York, were among those who stood by the southern Senators and Congressmen in that trying time.

It can not be believed and it is not the fact that after these memories there can be any ill will or any ill feeling among the people of the South against our Catholic brothers or their ancient church. Indeed, whereas in Maryland and in Louisiana the Catholics are considerable in number, there is no vestige of such a feeling. Anyone who would attempt to raise such an issue in either of those States would be execrated and ridiculed. It is only where the Catholics are negligible in number and where there is ignorance of the true nature of their church that there remains some of the unhappy rancor borne of Old World quarrels and misunderstandings. With better acquaintance and fuller understanding these obsolete prejudices will vanish like a miasmatic mist before the rays of the sun.

By every consideration of political principle and tradition, by all the inducements of gratitude and friendship and loyalty, the men and women of the South should stand by their ancient creed of religious toleration and should not take it against any man who is a candidate for public office that he worships his God in the faith of his fathers.

Faithfully,

GEO. GORDON BATTLE.

FARM RELIEF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 4808) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities.

Mr. NYE. Mr. President, perhaps little can be said by me that will add strength to the position at this time of the cause of legislation in behalf of the American farmer. I shall, therefore, not detain the Senate for long in striving to make clear

my position upon the bill now before us—the McNary-Haugen bill—and in endeavoring to meet two or three arguments which have been advanced against the bill.

It is said by the foes of this legislation that it is too revolutionary in character; that the legislation is not essential; and that the farmers should take care of their own surplus and other marketing problems; that the Government of the United States does not owe the consideration asked in this bill; and that it will, if enacted into law, greatly increase living costs. I desire to confine myself to a discussion of these charges or complaints.

I think, Mr. President, that in fairness one must agree that the thought involved in the McNary-Haugen bill is, in a degree, revolutionary, if we are to consider that any new idea in the solution of a problem is revolutionary. But Congress has done many things in history which have been of a revolutionary character.

We must not lose sight of the fact that the situation which this bill aims to help correct is a most revolutionary one. The farmer has been forced to confront such revolutionary changes during the last few years that he is wholly warranted in asking such legislation as he now asks no matter how revolutionary it may seem to some.

I should like, Mr. President, to refresh the memory of the Senate regarding the revolutionary situation with which agricultural America is contending because of revolutionary economic changes in late years.

The Senator from Idaho has presented the great truths of the agricultural situation through his charts which hang at the back of the Chamber. No one who will give study to those charts dares maintain that agriculture is in any measure enjoying an economic balance with other industry in America.

An increase of 1,300 per cent in bankruptcies among the farm people of America ought in itself be sufficient knowledge to convince Congress of the need for remedy, even though that remedy must be of a rather revolutionary nature.

Carefully worked out statistics disclose the buying power of the farmer cut virtually in two; they show the agricultural people, though constituting 29.9 per cent of the whole population, enjoying only 9.9 per cent of the current income; these figures show that there have been terrific losses in farm wealth during the last 10 or 15 years; that during the last 15 years the exchange value of farm lands has fallen from \$17,000,000,000 to \$13,000,000,000; it is disclosed that during a 10-year period while the manufacturing wealth of America was increased by \$9,000,000,000 agricultural wealth during the same period dropped approximately \$4,000,000,000. These, Mr. President, indicate very revolutionary changes in an adverse way. There may be occasion for legislation of a revolutionary character to meet the situation which these changes have brought.

To my mind, the fact of greatest weight in indicating the decay of our great agricultural industry is the increased indebtedness against the farm population of America. In 1910 the total farm indebtedness was placed at slightly more than \$4,000,000,000. In 1925 that indebtedness had reached the staggering figure of over \$12,000,000,000. Has that change been revolutionary? Does it not merit revolutionary remedy?

Mr. President, I should like to call the attention of the Senate to the situation prevailing in my State. I speak of that more particularly because I am better acquainted with it than I am with agricultural conditions in other States, but I have reason to believe that what is true of North Dakota is largely true of every other agricultural State of the Union.

I want to point out to the Senate this morning, if I may, that in 1910, 15 years ago, when North Dakota was virtually new, when her resources had hardly been touched, when the whole future was before her—and a very bright future it was, indeed—we had 44,000 full farm owners in the State of North Dakota, while, according to the Federal census figures for 1925, 15 years later we had only 26,000 full farm owners in the State of North Dakota.

Fifteen years ago, at a time when the future was so bright before us, we had only 10,000 tenant farmers in the State of North Dakota, while in 1925, 15 years later, that number had grown from 10,000 to 26,000.

Fifteen years ago only a little more than 4,000,000 acres of our farm lands in North Dakota were operated by tenants. Now that situation is changed, and the number of acres farmed by tenants has grown from 4,000,000 to 10,000,000.

The value of all farm property in North Dakota in 1920 was \$1,759,000,000, while in 1925 the value of all farm property had dropped to \$1,191,000,000—a loss, if you please, in that short period of five years of a half billion dollars in the wealth of the farmers of the one State of North Dakota.

A most interesting thing which, it occurs to me, every Senator ought to bear in mind in consideration of this farm bill is the

terrific loss which has come to the farmers of the United States as the result of the depreciated value of livestock upon the farm. Much is said these days about the need, if the farmer is going to save himself, if he is going to get back on his feet in an economic way, of a greater diversification. That means more than it means anything else that the farmers should go more extensively into the livestock business.

Mr. President, I should like to point out that 15 years ago the farmers of North Dakota did not have nearly so many head of livestock nor so fine a grade of livestock as they had in 1925. In 1925 they had more head of horses, more mules, more beef cattle, more dairy cattle, more swine, more sheep, more chickens—more in all departments of livestock—than they had in 1910; and yet, what they had in 1925, though they had more of it, though they had more head and though it was of a finer grade, a more thoroughbred grade, was worth less money in the estimation of the Bureau of the Census of the United States than that lesser amount which they had 15 years ago, in 1910. What they had in 1910 was valued at \$108,000,000, while what they had in 1925, though they had more of it, was valued at \$94,000,000, according to the Federal census.

I have spoken of the number of so-called full farm owners left in North Dakota—26,000 in number now, as compared with 44,000 in 1910. I should like further to point out the figures of the Census Bureau to show just to what extent in fact the 26,000 are farm owners. The census figures disclose that the value of all the farm lands and buildings possessed by the so-called full farm owners in North Dakota in 1925 was \$200,000,000; but, Mr. President, against that value of \$200,000,000 there is a mortgage indebtedness of \$82,000,000; in other words, 41 per cent of the holdings of the so-called full farm owners in the State of North Dakota is mortgaged to-day and those who still maintain that they are farm owners to-day are wondering how long they will be permitted to retain their property.

Mr. President, to my mind the United States has never confronted a more serious situation than it confronts to-day growing out of the agricultural situation, and I hope with all my heart that what now appears to be true will come true, namely, that the Congress of the United States will during this session of Congress do their part to enact into law the McNary-Haugen bill.

I have spoken of the revolutionary nature of this law which is proposed. Mr. President, it is not nearly so revolutionary as will be proposals made or the action which will be taken if we do not cope, and cope soon, with this perplexing, this serious problem as it confronts the American farmer to-day.

Mr. President, if the farm relief bill which we now have before us is revolutionary in character let us not forget for a moment that we are striving to meet a most revolutionary situation.

Now, as to the contention that the farmer ought to take care of his own surplus and not ask the Government or expect the Government to help him take care of it, I have only this to say: Anyone who knows of the experience of the farmers in their cooperative endeavors in the past is not blaming the farmer if he declines to spend another penny in cooperative enterprises until he knows that he is going to have the aid of the protecting hand of his Government in the battles which will be made in the future, as they have been made in the past, upon his enterprises of a cooperative nature by selfish influences which contribute little to life other than added fees to the sum total of living costs to-day.

The farmer has lost confidence in cooperation of the kind he knows about. He has been in times past a great cooperator, and out in the great Northwest there have been many thoroughly good and deserving cooperative enterprises, but only to what end? Although they have been watched closely, eventually they have been forced to the wall and their life crushed out after the farmer had invested his hundreds and thousands of dollars in such cooperatives.

I should like, Mr. President, for the information of those who argue that the farmer ought to take care of the surplus problem and should solve it through cooperative enterprises, to relate the experiences of what was perhaps the greatest cooperative undertaking ever known in the Northwest. The farmers at that time, realizing the need of cooperation, seeing what cooperation might do for them, launched out into what came to be known as the great equity cooperative exchange. That exchange, interesting many thousands of farmers and several million of their dollars, made purchases of terminal facilities, made purchases of elevators throughout the grain districts of the Northwest, and were prepared to engage in the general marketing of the grain in that way. That was altogether to their credit, but eventually the Equity Cooperative Exchange found itself forced to the wall. There were members who had followed closely the activities of the exchange who knew that

there had been honest management, who knew that there had been a thorough and sincere effort made to cause the Equity Cooperative Exchange to function properly and within reasonable limits, who wondered what was the cause of that failure. They finally succeeded in engaging the interest of the Federal Trade Commission and the Federal Trade Commission eventually made an investigation of the causes of the failure of the Equity Cooperative Exchange. The findings of the Federal Trade Commission, Mr. President, contained in a report that is available to all who care to read it, discloses in no uncertain terms just why the Equity Cooperative Exchange was defeated and just why the farmer could not have expected to have made a success of any cooperative enterprise in which he might interest himself. The report of the Federal Trade Commission discloses that the Equity Cooperative Exchange was boycotted and sabotaged to its death. Boycotted and sabotaged by whom? It was boycotted and sabotaged by the very same interests which to-day are in the front rank of those leading the opposition to the so-called McNary-Haugen bill. The Federal Trade Commission declared in their report that the Minneapolis Chamber of Commerce and other interests which had been mulcting the people of the United States in the marketing of food products had interested themselves in the death of the Equity Cooperative Exchange from the day of its birth, and finally succeeded in their design by sending their agents and representatives out over the territory which this exchange was serving, betraying it and playing upon the prejudices and fears of the farmers who had invested their dollars in the enterprise. So it finally collapsed because of the program that had been instituted against it by the Minneapolis Chamber of Commerce and other similar interests.

The Federal Trade Commission report declares the names of the individuals who had a hand in that program of boycott and sabotage; and yet, Mr. President, in the four years that have transpired since the making of that report the Government of the United States has not taken one step to prosecute or punish those who were responsible for the wrecking of that greatest of all cooperative undertakings ever known out there in the great Northwest. And yet there are Senators here—there are people in general over the United States—who still insist that the only solution of the farmer's problem lies in cooperation, and that the only way he can cooperate or should cooperate is to organize with his neighbors and to have all farmers belong to the organization.

Mr. President, that day will never come so long as the farmer is permitted to feel, as he has a right to feel now, that his Government is not extending to him a helping hand in the protection of his cooperative enterprises as it is doing in the case of such agencies as the chambers of commerce and others which to-day are opposing the McNary-Haugen bill. The enactment of the McNary-Haugen bill into law, if it did not do one thing more than that, would largely restore to the farm people of the Northwest a measure of confidence in government and in cooperation.

Certain foes of this farm bill are, or seem to be, deeply concerned about the increased living cost which this bill might occasion.

Mr. President, I doubt that this bill, if enacted into law, would increase living costs to any noticeable degree. The payment of a few more cents to the farmer for his bushel of wheat should cause no change whatsoever in the price of bread.

Department of Agriculture figures disclose that during the last five years there has been at some time or other a variation of as much as \$1.31 per bushel in the price of wheat, while the cost of a pound-loaf of bread in New York during the same period has varied not over three-tenths of a cent. These facts would hardly bear out the contention that reasonably increased prices for wheat materially affect the cost of bread; and yet an increase of a few cents in the price paid for wheat means very much to a State like mine, North Dakota. Our production of wheat in North Dakota is on such a scale that an increase or decrease of only 1 cent per bushel means a million dollars more or a million dollars less to the half million people who populate that State.

In other words, under favorable growing conditions an increase of 50 cents per bushel for wheat would mean an increased purchasing power of \$50,000,000 to be divided among the 600,000 people of North Dakota; and what would such an increase do to the price of bread? At the outside such an increase in wheat prices should not increase bread costs half a cent a loaf.

Four and four-tenths bushels of wheat are utilized in the manufacture of a barrel of flour. Not all of this wheat stays in the flour. Only 70 per cent of it is utilized there, the remaining 30 per cent being finished as a by-product. Consequently, the actual bushelage of wheat in a barrel of flour is

but 3.08. An increase of 50 cents per bushel in the price of wheat, it must therefore be seen, adds but \$1.54 to the cost of a barrel of flour.

Three hundred and thirty-four 1-pound loaves of bread are available from a barrel of flour. Divide the \$1.54 increased wheat cost by that number of loaves, and you will find the added cost of each loaf of bread to be not necessarily more than one-half a cent—forty-six one-hundredths of a cent, to be exact. The average consumption of bread in the United States is about 334 loaves of a pound each per year. Consequently we find that an increased price of 50 cents for a bushel of wheat would not add over \$1.53 to the average living cost in the United States.

Would this be burdensome? Would it be out of step with the trend of the times? Would it be unreasonable when we find it to be a fact that manufacturing wealth has increased \$9,000,000,000 during the same period in which agricultural wealth has been decreased by practically \$4,000,000,000?

Surely, Mr. President, the enactment of the McNary-Haugen bill is not going to work any severe hardship upon the consumers of food in America. Any complaint the consumer has to-day must be not of the price the farmer receives for his product, but, instead, of the costs added here and there along the line of marketing from the time it leaves the farm until it finds itself ready for the consumer.

To my mind, Mr. President, the question before us resolves itself to one which finds the Government of the United States asked to help agriculture out of difficulties into which it has been forced or permitted to be forced by that very Government; and yet Senators declare that the farmer has no right to expect this consideration from his Government?

Say what the Members of this body will, the fact remains that agriculture has not been able to keep step with the economic structure which this Government has built through legislation. It is true that that legislation has included agriculture and agricultural products in name, but this legislation has been meaningless to the farmer, because he was not organized to avail himself of the benefits to be enjoyed under such legislation. The result is that the farmer is left on a materially lower economic plane than is industry in general, which has availed itself of the benefits of this legislation. To-day finds the farmer producing and selling on a lower standard than the average American standard. He is selling what he produces at less than American standard-of-living prices, while he is paying for things which he needs must buy, things produced by others, at the American standard-of-living price.

There are those who argue that, feeling as we do about this matter, we ought to get over into the free-trade camp. I deny that there is ground for such an argument. We want the protection which legislation will give agriculture. That legislation has been written. We now want to be placed in a position to enjoy the benefits of that legislation, and we feel that the enactment of the McNary-Haugen bill will accomplish that end.

It is declared that this legislation proposed for the farmer is economically unsound. If that is true, then, Mr. President, our economic structure to-day is wholly unsound. The McNary-Haugen bill only aims to make it possible for legislation already written and enjoyed by others to be equally enjoyed by the agricultural people.

I am satisfied that this agricultural problem would not have been with us so soon had it not been for the wicked and vicious deflation program visited upon America in 1920 and 1921. That program all but smothered agriculture. It was a program which the Government of the United States permitted to be carried through. Had the Government then exercised its powers and duties, those black pages in American history would not now be written.

The fact stands out, in any event, that the Government is largely responsible for the deplorable condition of agriculture to-day. We had better make it now our first duty to help agriculture back onto its feet. The enactment into law of the McNary-Haugen bill will be a step in the right direction. It may not accomplish as much as some claim in its behalf, but it will be a start, at least. Something will have been afforded on which we can build from year to year, to the end that the business of farming can once again become worthy of the following of those whose calling and whose work is nearer to being God's work than any other.

Mr. President, in the name of fair play I urge the favor of the Senate toward this farm bill. It will go far in restoring confidence. It will unburden many hearts which have been virtually convinced that they and their worthy industry are destined to be continually ignored by the very Government which was built upon their industry. A stitch now, I might suggest, may save the necessity of more revolutionary action than now is asked.

Mr. WATSON obtained the floor.

Mr. COPELAND. Mr. President, will the Senator from Indiana yield for a moment?

Mr. WATSON. For what purpose? I am very anxious to conclude the few remarks that I care to make.

Mr. COPELAND. I desire to ask a question of the Senator from North Dakota. Will the Senator yield just a moment for that purpose?

Mr. WATSON. I will yield if it does not lead to debate; but, because of other matters, I am compelled to leave the floor of the Senate.

Mr. COPELAND. The Senator from North Dakota concluded with such a remarkable statement that I should like to ask him what he means by it. He said that unless this measure is passed it will lead to some more revolutionary action. I assume the Senator means by that that if this bill should not be passed or if it should be vetoed, it would lead to a revolt on the part of the American farmer and a destruction of the protective-tariff system.

Mr. NYE. I would not say that that was the thought I intended to convey. The thought I wanted to convey was that when people long suffer such ills as the American farmer has been suffering during the last number of years, it is rather difficult to say what step the farmer might take next if he finds himself deprived of the hope he now entertains growing out of his knowledge of the pendency of the McNary-Haugen bill.

Mr. COPELAND. If I understood the Senator correctly, the farmer's economic situation is so distressing that there must be some measure of relief. In that I entirely agree with the Senator; but if revolutionary action is taken, as hinted by the Senator, it must mean that there will be a destruction of that other uneconomic thing, the protective-tariff system, in order that the farmer may compete on the same plane with all other industry at this time.

Mr. NYE. Mr. President, I do not know why we need mince words about this matter. To my mind, the McNary-Haugen bill clearly is nothing more than an endeavor to make available to the American farmer the benefits of the protective tariff law and of other legislation, just as it has been beneficial to other industry. If the farmer finds himself deprived of the opportunity to get in under the protective wing of that law, certainly he can not be expected forever to go on and say: "All right; let the thing stand just as it is; we are not going to complain any more."

Frankly, if the American farmer can not have the protection which laws already written are intended to afford him, then, to my mind, he is going to be subject to the charge of being all manner of an idiot if he does not insist upon all industry in the United States coming down to the same footing that the American farmer is on to-day. That will give him at least a better balance than he has now; but, Mr. President, understand me: I have not in my acquaintance a single farmer who desires that sort of a situation, because they feel that to wreck the structure which already has been built, the structure we are living on to-day, might easily bring about a more serious situation than confronts the American farmer to-day, and bring it about in so general a way that our whole economic structure here in America would crumble, to the disadvantage of all of us.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Indiana further yield to the Senator from New York?

Mr. WATSON. No, Mr. President; I decline to yield.

The PRESIDING OFFICER. The Senator from Indiana declines to yield.

Mr. WATSON. Time is of the essence of things in the Senate, and therefore I have committed to paper what I desire to say on one phase only of this subject. In the interest of time, also, I ask to be allowed to proceed without interruption, because I am very anxious to conclude what I shall have to say.

THE EQUALIZATION FEE

I

I shall not take the time to explain what the equalization fee is as provided by this measure or the manner of its collection, as all Senators are familiar with these propositions.

No farm legislation can be made helpful that does not provide some method of taking care of surplus production, and in my judgment the only sound way to do this necessary thing is by means of an equalization fee.

The opposition to surplus-control legislation has picked the equalization fee as the vital point in this legislation, and special efforts have been made to eliminate it from any bill that may be passed by Congress.

One by one the objections which for three years have been urged against farm-relief legislation have been abandoned except the one to the equalization fee.

The most unreasoning opponent no longer denies that the condition of agriculture is desperately bad; and all but a few concede that there is nothing in present conditions and tendencies which promises relief. Only a negligible number any longer deny that the agricultural situation justifies constructive aid by the Government.

The plain and simple terms of the measure supported by representative farm organizations have convinced, if they have not silenced, the partisans who have been shouting "price fixing" and "Government in business," but every opponent of this legislation joins in the chorus of opposition to the equalization fee.

The entire controversy, in Congress and out of it, over farm legislation has finally resolved itself into this proposition from the opposition:

Any farm legislation within reason, provided it contains no equalization fee.

The reason for all this is obvious. Surplus-control legislation without the equalization fee would be unworkable and ineffective. The fee is the crux of the whole situation.

II

Although opposition to the equalization fee has been voiced many times in Congress, in personal discussions, and in the press, one will have difficulty in recalling more than two definite reasons for opposition to it. Some argue that it is unconstitutional; others, that farmers do not want it.

The purpose of the equalization fee is (a) to raise funds from trade in a commodity to enable farmers to manage temporary and seasonal surpluses in ways that will prevent such surpluses from driving the price of the whole crop to unprofitable levels, and (b) to distribute the costs and benefits ratably to all the marketed product.

Whatever plan may be employed will involve cost, expense, and financial risk. Our export surplus of wheat can not be handled in a way to maintain a domestic price level in keeping with American standards of living and with domestic industrial prices without involving costs, trade risks, and losses. Surplus cotton can not be carried over from years of large crops to years of small crops without expense and some risk of loss. In a word, stabilization of agriculture can not be accomplished by theorizing and talking about it, but must be accomplished in the market places by actual transactions in actual commodities. Such transactions require money and involve possibilities of gains and losses.

Who shall manage such transactions? Who shall furnish the money, and who shall take the risks? There is but one proper answer—the farmers themselves. How will farmers themselves get the money to do these necessary things? By voluntary action, or through a device created by legislation? That is the issue now before Congress.

The opponents of this legislation admit the deplorable condition of farmers; they admit that control of surplus is a practicable remedy, but they contend that it should be done by voluntary action through cooperative associations and without an equalization fee.

III

Theoretically the banks of the country could have cooperated in the control of their credit resources and brought stability without Federal legislation, but actually the task was impossible. Theoretically the stockholders of all the banks could have organized central banks, which could have done many of the things which Federal reserve banks are now doing to adjust the supply of bank credit to the legitimate needs of the country. But, in reality, it was impossible to secure the necessary unity of action by so large a number of stockholders. Legislation was necessary to compel bankers to do what they should do, but would not, by voluntary action. Therefore, Congress, by the device of the Federal reserve law, created the plan of stabilization and compelled national banks to provide ratably the capital necessary to operate it.

Theoretically it was possible for the many railroad corporations and the many organizations of railway labor to set up by voluntary action agencies necessary to stabilize railroad labor conditions. Actually effective voluntary cooperation was impossible. Hence, by the device of the Railway Labor Board, Congress sought to provide the necessary supplement to voluntary action.

Theoretically railroad companies by voluntary cooperation could have established uniform standards of car equipment to permit free interchange of cars, but actually such cooperation was impossible; hence universal acceptance of uniform stand-

ards of equipment was compelled by Federal action through the Interstate Commerce Commission.

Theoretically it has always been possible for bankers and business men to establish uniform practices with respect to bills, notes, drafts, and so forth, but actually it has been impossible, and uniformity came only through the device of negotiable instruments legislation.

Theoretically it has always been possible for shippers of fruit and vegetables to establish uniform sizes and shapes for boxes, barrels, and crates by cooperative action, but experience proved to the contrary, and Congress by the device of a Federal law supplemented cooperative effort and compelled all shippers to use the same size and shape of containers.

Theoretically it was possible for labor to organize so completely that all Government work would be done on an eight-hour basis; but practically it was impossible and Congress stepped in and did by law what cooperation alone could not do.

This list of examples might be extended indefinitely to prove that when the public good can not adequately be served by voluntary cooperation it has been the settled policy of our Government to provide by legislation the means to the desired end. Frequently it is nothing more than a device by which the minority may be required to conform. The device varies with the subject matter. It was compulsory stock subscription in the case of the Federal reserve law; it was a fine in the case of the uniform containers law.

When we consider the basic and fundamental aspects of the surplus control bill its similarity with much familiar and accepted legislation becomes apparent. There are differences in method and detail, of course, just as different methods of taxation are employed with different classes of property, but in all cases the aim and purpose is the same—to have all classes of property contribute to the support of government.

Every industry is in some respects different from every other industry, and a legislative device that will aid one may not benefit another.

The surplus control act with the Federal farm board, the stabilization fund and the equalization fees are for agriculture what the Federal reserve act is for banking; the transportation act for railroads; the immigration law, the eight-hour law, and numerous other labor laws for labor; the tariff act for industry and innumerable other Federal laws are for the special interests they serve.

IV

It may be argued that it is possible for all wheat growers to cooperate in handling wheat exports in a way that will maintain a domestic price in keeping with American standards of living and American industrial prices, but actually it is impossible.

It may be argued that it is possible for all cotton growers to cooperate in withholding the unneeded parts of their crop from the market in years of large production and feeding it back again as needed, but actually such a thing is impossible.

The same is true of all other crops. All farmers will never join cooperative-marketing associations, just as all national banks would never voluntarily join the Federal reserve system, and all shippers would never use the same kind of containers.

A fraction of a group will not voluntarily assume the entire cost of a service to the entire group. Quite a number of farmers' cooperatives in the United States have undertaken to stabilize markets by carrying seasonal surpluses over into the next year, but in every such case the effort has failed, and in some cases the cooperative itself has been wrecked.

A fraction of the producers of wheat, even a large fraction, can no more assume the entire cost of stabilizing the wheat market on an American basis than a voluntary local improvement association can assume the entire cost of building levees or good roads.

A fraction of the producers of cotton, even a large fraction, can no more assume the entire cost of stabilizing the cotton market through cooperative associations than a few national banks can voluntarily assume the maintenance of the Federal reserve system.

V

The equalization fee is a new thing in name only. The principle involved in it is as old as the Government itself. It is this: That all beneficiaries of an undertaking in behalf of the public welfare shall contribute ratably toward paying the cost.

It will cost money to manage surpluses and stabilize markets for farm crops. The producers of each crop—all of them, not a few of them—should pay the cost and bear the losses, if any, because they will be the direct beneficiaries. What better way can be devised for doing that than collecting a small fee on each marketed unit of the crop?

We are told that such a fee would be unconstitutional. Such a statement is merely an opinion; and the same thing has been said of every important legislative act of Congress since the Government was founded. Many lawyers, including the very able lawyers employed by the House and Senate to aid committees in preparing legislation, hold that the equalization fee is constitutional. Many of the ablest lawyers in both Houses take the same view. No one has yet answered the constitutional argument of the late Senator Cummins, of Iowa, in the Senate as reported in the CONGRESSIONAL RECORD of June 19, 1926.

Congress has never refused to pass an important measure because a few men claimed it was unconstitutional. Why make an exception in the case of farm legislation?

VI

It is asserted that farmers do not want farm relief if they must pay an equalization fee.

There is no fact basis for such an assertion. Prolonged hearings have been held by committees of the House and Senate on bills carrying an equalization fee since 1924. The record does not disclose that a single farmer has appeared to protest against it. Surely, if farmers are strongly opposed to it, some evidence of that fact would have found its way into the record of these hearings.

On the contrary, practically every farmers' cooperative and farm organization, whose members produce the commodities named in this bill, is supporting this legislation.

These facts raise the question, Who represent farmer opinion and farmer sentiment—Washington politicians, grain exporters, the United States Chamber of Commerce, business lobbyists, or the farmers' own organizations?

Why should not farmers be willing to pay a small equalization fee to get profitable prices? The farmers of the South paid to somebody what amounted to a fee of \$35 a bale loss on their cotton this year because they did not have a chance to pay a \$2 a bale equalization fee to take the surplus off the market. The wheat, corn, and hog producers are paying more than the amount of an equalization fee every year in the form of losses because they have no effective method to maintain profitable prices.

VII

To offer Government loans to farmers as a substitute for an equalization fee is to do a useless thing. Loans are useful and necessary in business, but they can not properly be used or substituted for original capital. In like manner commodity stabilization funds must consist of original capital drawn from the particular industry to be stabilized and not of loans from the Government to some of the people in the industry.

As losses and costs of stabilizing farm crops must be paid out of the stabilization funds there will be need for periodical or occasional replenishment. Funds for that purpose should be provided by the particular crop industry through an equalization fee.

If the stabilization funds should be secured by loans alone, impairment of them by costs and losses resulting from operations, could only be made good with further loans. Merely to state this method is to expose the utter fallacy of stabilizing crops by use of loans.

The equalization fee will serve three principal purposes. It will provide the capital fund for managing surpluses, it will prorate the cost equitably upon all the marketed units of the commodity, and it will operate in some degree as a restraint upon overproduction.

Under no conceivable circumstances can loans by the Government, or any other agency, accomplish any one of these three purposes. Therefore no loan plan can properly be called an adequate stabilization plan.

VIII

Some have objected to an equalization fee on the ground that it involves some degree of compulsion; that farmers will rebel against the collection of a fee on their products. There is a measure of compulsion in the bill, as there is in all law. No law is ever needed to require people to do that which all of them will do voluntarily.

The terms of the bill prevent its application to any commodity unless the spokesmen and representatives of the producers of that commodity ask for it. When that happens the bill would require the collection of the fee upon all the marketed units of that commodity. The principle involved is fundamental in popular government.

There is much more compulsion, and of the same kind, in the Federal reserve act than is proposed in the surplus control act. During the debate on the bank bill in the recent Los Angeles

convention of the American Bankers Association, Mr. Max B. Nahn, vice president of the Citizens National Bank and Bowling Green Trust Co. of Bowling Green, Ky., said:

The Federal reserve system can be preserved only by conscripted capital. You can conscript the capital only of national banks. The law does not allow you to reach the State banks.

I say that the Federal reserve system can exist only on a conscripted capital. During the Revolutionary War the continental States had no authority, and the Revolutionary War was won by private subscriptions of Washington and Morris and the Government of France. During the Civil War the United States could not sell its bonds, and Salmon P. Chase and Jay Cooke raised \$2,000,000,000 through the national banking system. In the last war you sold \$25,000,000,000 of bonds through the Federal reserve easier than they did \$2,000,000,000.

In the course of the same debate, Mr. H. H. McKee, president of the National Capital Bank of Washington, D. C., said:

We can not have a Federal reserve system in this country that is not based upon the compulsory membership of national banks that are under the sole and supreme authority of the Federal Government, that can make them contribute the capital and the assets to that great system to make it function.

If it was right to compel all national banks, the willing and the unwilling, to provide the capital funds necessary to stabilize the banking business, how does it become wrong to require a minority of farmers to contribute a small fee to stabilize their particular branch of the agricultural industry?

Everybody knows that a majority of the national banks opposed the passage of the Federal reserve act. It is equally well known that a majority of interested farmers' organizations favor the passage of the surplus control bill with the equalization fee provision.

The Federal reserve act became operative when passed by Congress. The surplus control bill will apply to a particular commodity only when the spokesmen and representatives of the commodity ask for it to be applied. It is not nearly so arbitrary and compulsory in character as the banking bill.

National banks can not relieve themselves of the requirements of the Federal reserve act, but farmers may relieve themselves of the provision of the surplus act when there is no need for it.

It is beyond the point to say that these comparisons are inapt because national banks are chartered by the Government. Their stockholders are citizens and their investments are private property and just as much under the legal and moral protection of the Constitution and the Government as are farmers and their property. If it is a right and moral policy of government to require owners of national-bank stock to pay an assessment into a capital fund to stabilize the banking business, why is it not a right and moral policy to require owners of farm crops to pay a small fee into a capital fund to stabilize the branch of agriculture?

IX

Another frequently heard objection is that surplus-control legislation is new and novel and an untried experiment.

In the very nature of things all fundamental legislation must be new and untried and to that extent an experiment. The interstate commerce act was an untried experiment when it was passed. So was the national bank law, the original protective tariff law, and all new legislation.

It was impossible to know in advance exactly how any of these laws would operate. The same is true of surplus-control legislation. The condition of farmers is desperate and threatens the prosperity of other classes. While this is not the first time in history that agriculture has been unprofitable, there are in the present situation many factors which were not present in other depressions and which give special significance to present conditions.

The surplus control bill proposes a plan which is new as legislation, but old as business practice. It aims to make it possible for producers of five important farm commodities to create with their own money stabilization funds which will be employed to stabilize the market for these crops by a sound business method. If all the wheat or all the cotton in the country were produced by a relatively small number of people such legislation might not be necessary because the producers could "get together" and stabilize their markets as the Steel market, and many others are stabilized. But with farming in the hands of millions of men, legislation is required to secure stability.

Nobody can guarantee the complete success of the plan. Experience may and probably will suggest changes. More than 30 provisions of the Federal reserve act have been modified since its enactment and many others are now pending.

To oppose surplus control legislation because it is new and untried, is not only illogical, but it is a discrimination against farmers because it makes a requirement of them that is not made of other classes when they seek legislation—that is final perfection and guarantee of perfect operation.

Mr. JONES of Washington. Mr. President, in line with the concluding remarks of the Senator from Indiana I desire to say that during my service here there have been many bills presented and considered to meet special situations. Dire predictions were made and the constitutionality of every one of those measures was raised, but after their passage the legislation demonstrated its wisdom, its constitutionality was upheld, and but little question now is raised with reference to it. I remember when the proposal was made to establish the parcel-post system in the country, it was met with very violent resistance. It was prophesied that it would practically destroy the mercantile business of the country; yet that system went into effect and has been in operation for a good many years and there is no suggestion now of a change in it, at least no suggestion that it should be repealed.

I also remember when it was proposed to establish a postal savings bank system in the country that it was met with very violent opposition, especially upon the part of the banking institutions of the country. I remember the argument on this floor in which the constitutionality of the legislation was raised and very earnestly pressed upon the consideration of the Senate. Notwithstanding those direful predictions, notwithstanding the opposition, the Congress provided for the postal savings bank system. No one hears any suggestion to-day for its repeal.

I also remember that when the Federal reserve system was presented we had days and weeks of violent controversy over that system. All sorts of woeful predictions were made as to the effect of it. It was enacted. As the Senator from Indiana said, it was not perfect. It has been amended quite a good many times, but I do not hear anybody proposing to repeal that system.

This was true with reference to the problem dealing with railroad transportation, especially since the war. We had important legislation proposed dealing with this situation. The legislation has been enacted. It has not been entirely satisfactory, but there is no proposal to repeal it all. There are proposals, however, to amend it to meet the objections which experience has proved justified.

So with reference to the pending legislation. It is in a sense a departure, a new movement, but I feel pretty confident that the calamitous predictions made with reference to the results which will come from it will be found just as baseless as in the past. It is a very serious problem we have to meet, and I feel that those who have given it special study are proposing a measure which we can pretty confidently rely upon as one which will meet it in a reasonably satisfactory way.

I have always felt that those who are peculiarly acquainted with the line of industry which is to be dealt with are better able to suggest the means of meeting the problems in that line of industry than anybody else. I have always felt that bankers were better able to determine what the problems of banking are and also are better able to suggest proper remedies to meet and solve those problems. I have always felt that the manufacturer knows better the problems which face him and his industry and that he is better able to suggest remedies to meet the problems of his line of business than anybody else.

So I have felt that the farmer knows the farmer's problems better than anybody else and that those who are especially familiar with the conditions which confront the farmer know better also the problems that face him and ought to be better able to suggest proper remedies than anybody else. As I understand it, this bill has the practically unanimous approval of the great farm organizations of the country. They have been working on it for years. I feel that I can pretty safely rely upon their judgment and the wisdom at least of the fundamental provisions of the measure, and that if passed it will go a long way toward meeting the farmer's problems. If experience demonstrates that it needs changing in any particular, that need can be met. So, Mr. President, I am going to vote for the measure. I feel that agriculture has special problems which we ought to be able to help to meet.

I want to see agriculture put upon as stable a basis as possible. As we enacted legislation which has apparently put our financial system upon a firm basis, so I believe we are able to put agriculture upon a reasonably firm basis. It used to be said that we must have, about every 8 or 9 or 10 years, a financial panic, a crisis in the financial affairs of the country. We do not hear much about that now. No suggestions of that sort are made now. Apparently our Federal reserve system has met

that situation. So with the periodic recurrences of trouble and disaster for the farmer, it seems to me we ought to be able to devise some legislative system by which we can help the farmer to meet and do away with them. I am hopeful that the pending bill will go a long way toward doing it.

I can talk about another matter without delaying the passage of the bill, so I am going to take the time of the Senate for just a little while to discuss a question or problem which I consider almost as important as the farm situation. It is important to the farmer as well as to every line of industry in the country.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hattigan, one of its clerks, announced that the House had passed without amendment the bill (S. 4553) granting the consent of Congress to the Chesapeake Bay Bridge Co. to construct a bridge across the Chesapeake Bay from a point in Baltimore County to a point in Kent County in the State of Maryland.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4553) authorizing the President to restore Commander George M. Baum, United States Navy, to a place on the list of commanders of the Navy to rank next after Commander David W. Bagley, United States Navy.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3436) for the relief of certain officers and former officers of the Army of the United States, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STRONG of Kansas, Mr. WINTER, and Mr. LOWREY were appointed managers on the part of the House at the conference.

THE MERCHANT MARINE

Mr. JONES of Washington. Mr. President, I want to talk for just a little while with reference to the American merchant marine and the situation confronting us in regard to that matter. I want to call attention to certain facts which, in my judgment, justify the support of any measure which, as stated by the able Senator from New York [Mr. COPELAND], will give any reasonable hope of giving to the country an adequate merchant marine and putting it upon a permanent basis. I want to call attention to certain facts which it seems to me ought to awaken the American people to the situation which confronts us, the need of an American merchant marine, and to the importance of harmonizing our differences or at least getting together for the prime purpose of building up an American merchant marine.

Mr. President, when the World War began the United States, rich and powerful, with a population of over 100,000,000 people, with a wealth surpassing that of any country on earth, and with a world commerce equal to if not greater than that of any other nation, had under her flag in the overseas trade only 15 ships of a total tonnage of 164,526. Less than 10 per cent of our billions of ocean commerce was carried under our flag. We were dependent upon foreign shipping to get our goods to market and bring their goods to our markets. Our people were paying to foreign carriers from one to two hundred millions of dollars a year as transportation charges.

We seemed to be content to be dependent for carrying facilities upon our greatest commercial competitors. Everybody declared in favor of an adequate merchant marine, but when it came to passing legislation designed to give us such a merchant marine we could not agree. Refusing to give substantial aid to American capital to induce it to invest in the building and operation of ships, we kept on paying year after year to our commercial rival tens of millions of dollars each year to act as our commerce carrier.

No people had progressed in the arts and sciences, in commerce, industry, education, and in everything that makes a people great and powerful as had we. One marked exception was in ocean transportation. With our great natural resources and the opportunities for making money in individual development we were content to use foreign shipping for our commodity and passenger traffic.

There were some far-visioned people who urged years ago the importance of ample shipping under our own flag to carry a great part of our commerce. They looked upon this not only as a great commercial need but also as a means of national security and defense in time of war. They pointed out how disastrous it would be to our business if the nations doing our carrying should get into war and be compelled to divert their ships to war needs and how our national security would be endangered if we should get into war ourselves with a stronger

power. These warnings were unheeded and were fulfilled all too soon.

The World War came. We were the first to feel its effect on business and commerce. The ships that had been carrying our commerce were taken off the lines of trade and put to carrying troops, ammunition, and war supplies. Our products of farm, factory, and mine were piled upon our wharves and docks with markets crying for them but no way to transport them. Farm products especially rotted on the dock or in the bin. This condition at our seaports brought stagnation and distress in the interior and this was reflected in lower prices in the face of the greatest demand that our people had ever faced. The ships that were available charged enormous rates. In some cases carrying charges increased 2,000 per cent and, mark you, Mr. President, this large increase was paid to a great extent by the products of the farmer; and, in my judgment, the lack of shipping at the breaking out of the World War is to no small degree responsible for the condition of agriculture even to-day. It was estimated by the Secretary of the Treasury that because of our lack of ships our people paid in one year in increased charges from \$300,000,000 to \$500,000,000. The loss to our farmers and merchants because they could not get their products to the markets that were crying out for them and willing to pay high prices is estimated to have been at least a billion dollars. The farmer was the greatest sufferer because of the perishable character of his product. These figures are estimates. They may be too high or too low, but no one can doubt the industrial condition. Here is what was written in 1916:

Mr. President, I ask that this statement may be inserted in the Record without taking the time to read it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

In this year of 1916 the United States, without a merchant marine, bereft of ships, is more than half the slave that she was in 1861. What boots it that labor is free if the products of its industry and enterprise are denied their markets?

Turn where one will and it is to behold the evidence of this vassalage. Leave any one of our glutted seaports, with piers and warehouses and freight terminals burdened to capacity by an immovable commerce, and follow the railroad lines into the interior, across the continent, go north, go south, go east, go west, and there is not a mile that has not a chapter to contribute to the tale. All of the conceivable products of a hundred millions of people lie along those steel arteries arrested by embargoes. What moves is what the warring nations choose to buy and will receive from the railroads at tidewater. All else must abide its time or rot; for as Europe controls the world's deep-water tonnage, so our market is limited to her will. It matters not that there are other markets in which we could sell and intrench ourselves to the advantage of future trade and expansion. We have not the ships to reach them.

Turn from the railroads and go into the orchards of the West and Northwest and it is to find the fruit of last season matted on the earth against the shaking down of the worthless crops of the coming one. Harken for the sound of ax and saw in the lumber regions of Oregon and Washington and California and harken in vain. An army of labor stands idle; its accumulated product lies shipless in gorged outports. Nor are there cars to move a cutting for domestic use. The Middle West and the South are utilizing the rolling stock of our rails as granaries and warehouses, and New England's depleted forests, the conservations of 25 years, are being slaughtered to supply the needs of the eastern seaboard.

Turn from field and plain and orchard and forest to the manufacturing centers and it is to find the same paralysis of industry, for industry lives by import as well as by export. Here a factory stands silent because it can not get tin from England; there a silk loom lies manacled because it can not obtain the raw product from China. As Britain controls her shipping so does Japan control hers. Japan has but to say to her merchant marine, "Our ships will carry Japanese exports from December to May and imports for Japanese consumption only from June to November," and that is sufficient. The rest of the world may whistle. What is true of those two nations is likewise true of all others.

As this is being set down comes news that Britain is promulgating an order in council prohibiting, among other things, the importation of automobiles for private use, fruit, musical instruments, cutlery of all kinds, hardware, yarns, chinaware, fancy goods, and even soaps. And it is explained that this is being done, not as a matter of policy, but because of a shortage of ships; that Britain must have American wheat and corn and meat, and that other things can not be permitted to take up the space of her vessels. Yet wheat and corn and meat and munitions of war are but a part of American commerce.

At peace and neutral though we are, belligerency in the present situation could exact no more of us.

Mr. JONES of Washington. While the demands growing out of the war had greatly stimulated shipbuilding in this neutral country, when we entered the war the need of ships was so great that heroic measures were necessary. We were 3,000 miles away from the battle front. We could get there only by ships. We did not have them. Providence seems to have foreseen that we would get into the war and provided the means for meeting the emergency that we faced.

When the war began some of the finest ships of Germany's merchant fleet were in our ports. As a neutral we interned these ships, and when we entered the war we took them over, repaired them, put them in condition, raised our flag over them, and used them to carry our troops to France. It is said that the *Leviathan* carried 275,000 of our boys across the sea. Had they not gotten to the front when they did Germany might have pierced the Allies' battle line, reached the coast, and imposed humiliating terms of peace on France and England and established the rule of autocracy in Europe and thus endangered our own security. These German merchant ships defeated Germany's war lords, won the war, and saved civilization.

These ships did not meet the whole need. The cry came from the Allies, "Ships, ships, and more ships." Our own officials realized the need and called upon Congress to authorize the building of ships for the Government. It responded generously. Shipbuilding plants sprang up overnight and everywhere. Enormous wages were paid and enormous profits amassed. Over \$3,000,000,000 was appropriated and spent in building ships. That is more than the estimated value of all the merchant ships of the world in 1914. This was the equivalent of \$30,000,000 a year for 100 years. Why was it necessary? Because we did not have a merchant marine to meet the need growing out of the war. I am not saying this as an argument for a subsidy, but if we had paid out \$30,000,000 a year for 50 years before the war we would have had an adequate merchant marine of up-to-date ships when the war broke out. It would have saved the hundreds of millions, if not billions, that our people paid in increased carrying charges and would have saved Christendom from the calamity that threatened it from autocracy.

What have we to show for this \$3,000,000,000? Hundreds of the ships we built are rotting away at their docks or at their moorings in streams and bayous. Some we have sold for a song, and among those sold are our best ships. Ships costing five or six million dollars have been sold for less than a million. The ships we have left are estimated to be worth no more than two or three hundred million dollars.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from New York?

Mr. JONES of Washington. I yield.

Mr. COPELAND. Of course, those ships have not gone away from America; they are now being operated by American citizens and are a part of the American merchant marine.

Mr. JONES of Washington. Oh, yes; that is true; and I am glad of it. I am, however, merely calling attention to the actual financial features of the transaction, looking at it as a pure matter of dollars and cents.

These ships were built with borrowed money. No matter how little they have brought upon sale, no matter how many of them waste away and become worthless, the American people will have to pay in taxes the full \$3,000,000,000 that is now represented by Liberty bonds, which do not depreciate. It cost us over \$3,000,000,000 in actual cash, because we did not have a merchant marine; and the ships we built are not only generally unsuited to meet the competition that faces them but they are actually fast wearing out. We owe \$3,000,000,000 and have comparatively little to show for it.

This is not all. Upon the \$3,000,000,000 we borrowed to build ships the American people are paying interest each year in the sum of about \$120,000,000. I think it is conservative to assume that it will cost the American people in interest alone an average of over \$40,000,000 a year for 50 years. What will they have to show for this interest money? Nothing! It will build no new ships; it will not even repair any ships. And in addition, Mr. President, we have paid out during the last eight years deficiencies for running the ships in an amount of over \$233,400,000.

At this point I ask unanimous consent to insert in the Record a table showing those expenditures year by year.

The PRESIDING OFFICER (Mr. FRAZIER in the chair). Without objection, it will be so ordered.

The table referred to is as follows:

Appropriations made to the United States Shipping Board to meet deficits in the operation of vessels

	For fiscal year	Amount
Urgent deficiencies act, approved Aug. 24, 1921.....	1922	\$48,500,000
Independent offices appropriation act, approved June 12, 1922.....	1923	50,000,000
Independent offices appropriation act, approved Feb. 13, 1923.....	1924	50,000,000
Independent offices appropriation act, approved June 7, 1924.....	1925	30,000,000
Independent offices appropriation act, approved Mar. 3, 1925.....	1926	24,000,000
Independent offices appropriation act, approved Apr. 22, 1926.....	1927	13,900,000
Amount appropriated in appropriation bill now pending.....	1928	17,000,000
		233,400,000

Mr. JONES of Washington. To sum it all up, our not having an adequate merchant marine when the World War came on will cost the American people five or six billions of dollars, and we will not only have no adequate merchant marine to show for it but there will be imposed upon us an annual tax of \$40,000,000 or more for at least 50 years. With these facts within the knowledge of everyone, with the need of an adequate merchant marine for the expansion of our commerce and so vital to our security and defense in time of war, can any American patriot refuse to support any measure or policy that will give us and maintain an adequate merchant marine?

The establishment and maintenance of such a merchant marine is not a partisan question. It is an American question and should be met in a purely patriotic way. A merchant marine is so vital to our commercial needs and our national security that I will support any measure that gives a reasonable assurance of success. If I can not have my way, I am ready to accept and support any other measure that can be put in effect.

The character and service of ships is fast changing. The tramp ship is giving way to the liner; the tramp service is being greatly restricted by regular-route service. Steamships are being replaced by oil burners. Oil burners are giving way to motor ships. If we are to have a merchant marine, we must have ships the equal at least of those of our rivals. The last five years have brought about almost a revolution in shipping. We ought to take the lead, especially in cargo ships. Our cargo carriers should be at least a knot faster than those of our competitors and superior to them in cargo-handling facilities, and the services should be regular and certain.

We have a large ship tonnage. Our ships, however, were built hastily under the stress of war needs. They were not constructed with a view to special services. They are largely out of date and in general far inferior to the ships of our competitors. This is a disagreeable fact, but we must face it frankly.

Our competitors are improving their ships. They are keeping abreast of the needs of trade and the methods of their rivals. We can not hope to succeed unless we do likewise. Slow-going, out-of-date ships can no more compete with the fast, efficient, up-to-date ships than the horse can compete with the automobile.

We are falling rapidly behind. Mr. President, in the overseas commerce that is being carried in our own ships.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from New York?

Mr. JONES of Washington. I yield.

Mr. COPELAND. Before the Senator leaves the statement he has just made about the need of fast ships let me inquire if that is not particularly true of ships carrying the mails? If we are to compete with foreign bottoms we must have regular service and speedy service in order successfully to compete.

Mr. JONES of Washington. That is true; but I had more in mind in the statement I made about cargo-carrying ships. It used to be considered that a cargo or freight carrier of from about 10 to 12 knots was entirely satisfactory, but that situation has changed, and now it is generally agreed that cargo ships, freight carriers, must be of at least 13 or 14 knots. So, as I say, I think we ought to take the lead in that matter, and in order to maintain ourselves it would be well if we could have cargo carriers about a knot faster than those of our competitors—say, 15 knots.

Mr. COPELAND. Mr. President, will the Senator yield further?

Mr. JONES of Washington. Certainly.

Mr. COPELAND. It is particularly true if we are to use our merchant marine ships as auxiliaries to the Navy that they should have sufficient speed to enable them to keep up with the

fast Navy boats, in order that such merchant-marine ships may be used as transports or as carriers of foodstuffs and supplies.

Mr. JONES of Washington. Oh, yes. The Government could well afford to pay many millions a year to get that special kind of a ship and at the same time promote the development of our merchant marine.

I am not seeking to bring out every phase of this matter. I thought I would just summarize the general phases of the situation as it appears to me.

Referring now to what I was going to mention—that the carrying of our own products in our own ships is diminishing very rapidly—under the impetus of the war, as I said a while ago, we built a great many ships, and many of the cargo-carrying ships of our rivals were taken out of the commercial trade and used to supply war needs, and we got a great deal of the cargo-carrying trade; but what has been the result since the war closed? While I think at one time we carried about 72 per cent of our overseas commerce in our own ships, what is the situation to-day? This amount has been gradually going down, getting less and less; and I have here a letter from the Shipping Board giving the facts in regard to this matter for the fiscal year ending June 30, 1926. From that letter I find that during the fiscal year ending June 30, 1926, Shipping Board vessels carried 13.37 per cent of our overseas trade.

Mr. COPELAND. During what year?

Mr. JONES of Washington. The fiscal year ending June 30, 1926, the last fiscal year. During the same period privately owned American-flag ships carried 11.52 per cent. In other words, of our overseas trade, imports and exports, only 24.89 per cent was carried in ships flying the American flag. In tonnage the Shipping Board vessels carried 6,981,547 tons, valued at \$923,376,000.

During the same period privately owned American-flag ships in the overseas trade carried 6,017,479 tons, valued at \$795,600,000. Our total overseas trade in 1926 amounted to 52,218,617 tons, valued at \$6,906,330,000, yet of this we carried only \$1,719,985,000 worth, or, in tonnage, our ships carried only 12,999,026 tons.

Mr. President, what does that show? It shows that unless something is done we are going back just about as fast as possible to the condition we were in when the World War broke out, when we were carrying less than 10 per cent of our overseas trade.

Mr. FESS. Mr. President, will the Senator yield for a matter of information?

Mr. JONES of Washington. I yield.

Mr. FESS. Is the Senator encouraged in regard to our ability to maintain a permanent merchant marine in any other method than by Government operation?

Mr. JONES of Washington. I am going to take up that phase of the subject just a little later on.

Mr. FESS. Will the Senator at some time indicate the losses we have sustained? I take it that we do have to pay more than we get out of it.

Mr. JONES of Washington. I will say frankly to the Senator that I am not going to discuss to-day the reasons why we can not operate our ships as cheaply as other nations can operate theirs. I am assuming that from the very fact that we do not do it and from the fact that our shipping is going down. I am going to present two methods—and to my notion there are only two methods—by which we can have a permanent American merchant marine. I am going to refer to those later on.

Mr. FESS. I do not want to interrupt the Senator, but I am most intensely interested in the possibility of an American merchant marine. I do not know whether I am getting discouraged about it or not. I should like to have the Senator's opinion on the possibility of doing it.

Mr. JONES of Washington. I am going to tell the Senator a little bit later on the conclusion to which I have come as to how we can get an American merchant marine.

Mr. FESS. That is what I want.

Mr. JONES of Washington. Our chief competitor has long been in the shipping business. It is her very life and her security. She has fostered it in every way necessary to develop it. Her people know the need and advantage of ships in peace and in war, and they are willing to do anything necessary to have them. Having done the ocean carrying for years her shipping people have a good will that is world wide and business connections everywhere that can be used, and, I have no doubt, have been and are used to discourage our people and suppress the growth of a sentiment among our people for a merchant marine, and to assist in the defeat of any legislative efforts to aid and encourage the development of a merchant marine.

Everybody is in favor of an adequate American merchant marine. Political platforms declare for it. Conventions of all kind, organizations of every character enthusiastically approve resolutions declaring for an adequate merchant marine. But these declarations and these resolutions build no ships. United for a merchant marine, we divide over the means of getting and maintaining it.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from New York?

Mr. JONES of Washington. I do.

Mr. COPELAND. At this point I think it would be wise for the Senator to bring out the fact that the Shipping Board recently held public hearings all over the country, and with almost absolute unanimity the people in these hearings have expressed their desire to have an adequate merchant marine.

Mr. JONES of Washington. Oh, yes; there is no question about it.

Mr. FESS. Mr. President, will the Senator yield?

Mr. JONES of Washington. I yield.

Mr. FESS. Is not that something that we have never had before? Is not this the first time the inland section of the country has awakened to the importance of a merchant marine?

Mr. JONES of Washington. I do not think so. I think if we had gone to any community in the Middle West or the interior and asked how many persons were in favor of an adequate merchant marine, everybody would have said, "We are for it." The trouble comes when we go to devise a way by which we will get it; and I think the situation in that respect is just about the same after these hearings as it was before. We will find ourselves divided in this body and in the other body over the methods of bringing it about.

Mr. FESS. I have had persons ask me why it would not be just as well to allow a country that is highly organized in foreign commerce to carry our merchandise, why we should build it up; but when I asked what would happen in case of war, they said: "Oh, yes; we ought to have it then."

Mr. JONES of Washington. Yes. I have just pointed out briefly—I do not know whether the Senator was here or not—what it has cost us because we did not have a merchant marine when the World War opened. It has cost us five or six billions of dollars at the very least, and it has entailed upon us for 50 years to come an annual interest charge of \$40,000,000, if not more.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. JONES of Washington. I yield.

Mr. COPELAND. In further reply to the Senator from Ohio, we need go back no farther than last summer, when, by reason of the coal strike in England and the utilization of all British bottoms in "carrying coals to Newcastle"—carrying coal from America across the ocean—our grains and our citrus fruits and our apples were left on the docks in this country until the Shipping Board found American ships to take them across. If we had been dependent upon foreign bottoms at that time our American farmers would have suffered tremendously by reason of our inability to move our crops.

Mr. JONES of Washington. I have sought not to take the time to go much into detail, because I know there are others who desire to discuss the bill that is really pending.

It is to the interest of our commercial rival to promote and encourage these differences. That it does so through its business connections, I have no doubt. I do not find fault with it for doing so. I admire the English Government and the English people and their business interests for the methods they pursue and the steps they take to see to it that their monopoly of the ocean-carrying trade is not taken away from them. They are simply looking after their own interests and they are willing to do, and they do what is necessary to accomplish the object desired by all, and differences over methods are not allowed to defeat the object sought by all. I should like to see our people emulate them. Let us sink our differences over methods, and support means that give us reasonable hope of an adequate and permanent merchant marine.

I now desire to give the Senator from Ohio my view in regard to the very matter about which he spoke a while ago.

There are just two ways of getting a merchant marine. One is through private capital, private ownership, and operation. That, in my judgment, is the best, the most efficient, and the most economical way and would give us the best merchant marine and the best service. Without aid of some kind in the nature of a subsidy it seems certain that private capital will not give us a merchant marine. It did not do so before the war, it is not doing it now. There is not a single ship being built to-day in the shipyards of this country for the overseas trade.

The report of the American Bureau of Shipping shows that on January 22 there were no ships under construction for overseas trade under the American flag.

Says the chairman of the Shipping Board in a letter to me.

I am not going to take the time to argue the need, merits, or demerits of a subsidy. It is my firm conclusion that Congress will not provide, by subsidy or otherwise, the aid that will induce private capital and energy to give us a merchant marine. I am convinced that we will not get a merchant marine in the foreign trade through private capital.

I am not going into details as to what has led me to that conclusion. If this is so, then there is but one way in which we can have a merchant marine, and that is through the Government. The Government must furnish the money, build the ships, and, directly or indirectly, operate them.

Mr. FESS. Mr. President, will the Senator yield at that point?

Mr. JONES of Washington. I will.

Mr. FESS. I think the Senator's conclusion is absolutely incontrovertible if we can not have a subsidy and if we choose not to reduce our labor to the level of that of our competitors. I feel sure we will not do the latter, and I have my doubts on the former. Therefore, it seems to me, the Senator's position is incontrovertible, that if we are to have a merchant marine it must be through Government operation. I deplore it myself.

Mr. JONES of Washington. I do, too; but we do not necessarily have Government operation, however. If the Government can build the ships and own them, then I think it can arrange for private capital and energy to operate them. Indirectly, of course, it would be Government operation.

Mr. FESS. That would be better than direct Government operation.

Mr. JONES of Washington. Oh, yes; I think that would come. The Government owns ships now, but the Government is not operating those ships directly. It is operating them through private enterprise and initiative, and that is the way we shall have to deal with them.

That being the only way open to us, I am in favor of adopting it. We can do it. Once we decide to do it, other peoples and other governments will know that it will be done. Then will uncertainty give way to certainty. Then will our competitors know that they have a rival that they can not defeat or destroy.

One of the greatest handicaps our shipping has to-day in getting business is the uncertainty of the continuance of the service. In every port city in South America the merchants and business men are warned not to give their business to us. Our failure in the past and our failure now to follow a policy to give us a permanent merchant marine is pointed out and the merchants in these ports are warned of the consequences to them when we cease the service. No wonder they hesitate to transfer their business from those who have been serving them for years to us who are in the shipping business in a most halting way. This no doubt is the situation in other commercial centers.

If we will assure the business interests of commercial ports that we will maintain efficient and adequate shipping service, we will increase our foreign commerce as well as secure cargoes for our ships.

A moment ago the Senator from New York called attention to the fact that while we sold some of our best ships, they have been sold to those who will keep them in the American trade. That is true; but the only fear I have in regard to the matter is that as these ships wear out, unless we provide some way by which we assure the private owners and operators that they will be able to get an adequate return, so as to induce them to replace the ships, they will go out of business, and the services which they have established, which are so vitally important to our commerce and to our needs, will go into the hands of our competitors.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. JONES of Washington. I yield.

Mr. McKELLAR. When these lines are sold now by the board is it or not true that they do not require that the ships shall be kept under American registry and the American flag any length of time?

Mr. JONES of Washington. Oh, no; that is not true. They can not get the ships out from under the American flag without the consent of the Shipping Board, and my recollection is that five members must vote to put them out. I have no fear of the ships going under foreign flags so long as they are in service and are serviceable.

Mr. COPELAND. Mr. President, the Senator from Washington made a very pertinent statement when he said that some provision must be made for replacements.

Mr. JONES of Washington. There must be, absolutely.

Mr. COPELAND. Otherwise as the ships in the hands of American owners wear out they will not be replaced, and the merchant marine will disappear.

Mr. McKELLAR. I am in entire accord with that view. I think we ought to establish a revolving fund for that purpose and make it as large as possible.

Mr. JONES of Washington. I repeat, if we will assure the business interests of the commercial ports that we will maintain efficient and adequate shipping service, we shall increase our foreign commerce as well as secure cargoes for our ships.

If this is the only alternative, why should any man who regards an adequate merchant marine vital to our commercial needs and our national security hesitate to follow this course? The objections are great but the need is greater.

A few days ago, after a short debate over a small item, we passed a bill carrying over \$300,000,000 for our Navy. At peace with all nations, with no war clouds in sight, we have authorized during the last eight years \$3,004,425,220.36 for the maintenance and building up of our Navy against a possible danger in the remote future. Just think of it! In time of peace, since the conclusion of the great World War, we have appropriated over \$3,000,000,000 for the Navy.

Merchant ships are just as essential to our security in time of danger as are naval vessels. With one year's naval appropriation we could carry out a program that would give us up-to-date ships to serve adequately the services now under way with such new ones as may be deemed necessary, and a replacement and maintenance program could be carried out at an annual expense not exceeding \$50,000,000. Properly estimated, this would be a most economical enterprise. In my judgment, over a period of years this fleet would replace, expand, and maintain itself. The benefits to commerce, the benefits to every line of industry in the country affected by ocean rates, would every year far exceed any annual maintenance expenditure.

Let me say at this point that while we have been appropriating every year for deficits in the operation of our ships, we do not need to worry so much about that. That does not measure the benefits or the lack of benefits of our merchant marine. In my judgment, the influence of the merchant marine which we have, in giving reduced rates to the people of the whole country who have to transport freight, far outweighs and far overbalances any deficiency we have been forced to make up from year to year.

Mr. McKELLAR. Probably ten times over.

Mr. JONES of Washington. Very likely that; at least many times.

Mr. FESS. Mr. President, will the Senator yield?

Mr. JONES of Washington. I yield.

Mr. FESS. I think the Senator is making a very strong statement when he says that the appropriation of \$300,000,000 for the Navy is merely an insurance we are paying against war, for if we are without carrying power in time of war we are limited only to warships, and warships do not mean very much in that regard. Therefore the deficiency is just a small item in additional insurance, without which the warships would mean very little.

Mr. JONES of Washington. Certainly. We have not forgotten that a few years ago our fleet was sent around the world. It had to be accompanied by foreign-built carriers in order to keep it supplied with the necessary fuel. That seems to me a most humiliating condition of things. Yet it did not seem to worry our people very much.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. JONES of Washington. I yield.

Mr. COPELAND. I think this is a very important statement. Every American citizen should know that, so far as our Navy is concerned, for use in foreign ports it would not be of any value whatever without merchant ships to carry supplies and to transport troops. An army travels on its stomach, and so does a navy, and there can not be any successful operation of our Navy in foreign ports without the aid of merchant ships.

Mr. WILLIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Ohio?

Mr. JONES of Washington. I yield, although I do not want to take too much time.

Mr. WILLIS. I merely want to make a brief observation, and to ask the Senator a question as to the psychology of the situation. I wonder whether the Senator can explain this attitude of mind on the part of the American people. As he has pointed out, we appropriate tremendous sums for our Navy, and the country is filled with propaganda now, which is being circulated here in Washington, to appropriate money for more cruisers, and while the country seems to favor that sort of project, they are not in favor of maintaining a merchant marine.

You can hardly get American shippers to use American ships, and if Congress appropriates a small amount to carry on the work, there is criticism, and we are urged to sell the ships, or to give them away. Can the Senator explain that perfectly impossible attitude of mind, which seems to be pregnant among the American people?

Mr. JONES of Washington. No; I can not. I have some ideas about it, but I am not going to take the time to-day to express them. Really I can not satisfactorily explain the matter. The most unexplainable thing to me is that, with the facts of the situation so recently in our minds, and so fresh in our history, that our people seem to be so indifferent toward the building of an American merchant marine, and seem to be willing to let our fleet go down, and go off the sea, and put us back into the very condition we are going to have to pay billions of dollars to remedy in the next 40 or 50 years.

Mr. FESS. Mr. President, will the Senator yield?

Mr. JONES of Washington. I yield.

Mr. FESS. I wanted to ask the Senator whether he has the figures at hand indicating how we were dependent upon foreign carrying ships in the World War, when we were attempting to supply our own soldiers across the sea. We were not in a condition to do it at all, were we?

Mr. JONES of Washington. No; except for this really providential circumstance, that when the war began there were hundreds of thousands of tons of the finest ships of Germany in our ports. They were interned, and when we got into the war we took those ships and put our flag over them; and, as I said in the early part of my remarks, we used them to carry our troops across. One ship, the *Leviathan*, is said to have carried 275,000 of our soldiers to the battle front. In my judgment the German merchant fleet saved the war for the Allies and for civilization.

Mr. FESS. As I recall, the one slogan I heard more often than any other was, "Ships, more ships, even yet more ships."

Mr. JONES of Washington. And under that cry we spent the \$3,000,000,000 and over in the building of these ships.

Mr. McKELLAR. Mr. President, even more remarkable than the sentiment spoken of by the Senator from Ohio a moment ago is the fact that the Congress of the United States has apparently done everything it could to dispose of the great fleet which was built up during the war and just after, at such tremendous expense, on any conditions or terms. Surely, no efforts have been made really to bring about a great merchant marine such as the Senator from Washington and other Senators are so anxious to preserve in this country.

Mr. COPELAND. Mr. President, will the Senator yield just a second?

Mr. JONES of Washington. I yield.

Mr. COPELAND. I think we ought to remind the Senator from Tennessee that we had a postal bill before us a short time ago which had in it some provisions which might have encouraged the operation of a privately owned merchant marine.

Mr. McKELLAR. Oh, no, Mr. President; quite the contrary. The subsidies that were proposed in that measure would never have had the effect of building up an American merchant marine. The truth of the matter is that the subsidy proposed was one which was not needed and should not have been given. If we are going to turn our ships over to private owners and to give them a subsidy, it ought to be done by Congress; it should not be done by a single officer of the Federal Government.

Mr. COPELAND. Just one word, and I will stop, because it is not fair to take the Senator's time.

Mr. JONES of Washington. It is not my time, but I am afraid I am taking it from some one who may want to talk on the farm relief bill.

Mr. COPELAND. Just a word. We are now paying for the transportation of mail across the ocean between four and five million dollars to ships—not land charges, but to the ships—and nearly two million of that is being paid to British bottoms. If that money were used for the encouragement of the American merchant marine, I say to my friend from Tennessee that it would be some encouragement to private owners to take over these ships and operate them.

Mr. McKELLAR. That might be, but the Senator shows by his very statement how inappropriate, if I may use that word, it would be to turn the matter over to the Postmaster General. The Postmaster General has the selection of the ships; and if he is paying out \$2,000,000 to foreign ships for the transportation of mail to foreign ports, that is his fault and not the fault of Congress, because Congress has arranged an entirely different program.

Mr. JONES of Washington. Mr. President, this illustrates just what I have tried to emphasize, that it is our differences of opinion over methods that prevents us from getting a mer-

chant marine. I expect I am as strongly for private ownership and operation as is the Senator from Tennessee for Government ownership and operation, and perhaps stronger, but I have reached the point where I am willing, in order to have a merchant marine, to support Government ownership and operation of it.

Mr. McKELLAR. It sounds good to me when the Senator thus expresses himself. We tried private ownership and operation for many years, and we went down to the point where American bottoms carried only 8 per cent of our commerce. Under Government ownership and operation we have gotten to a point where we carry nearly 50 per cent of our business in our own bottoms. Surely we ought to do it.

Mr. JONES of Washington. The Senator was not in the Chamber during the early part of my remarks, when I read from a letter of the Shipping Board which shows that while at the close of the war we were carrying approximately 60 to 75 per cent of our commerce to-day in the overseas trade American ships, Government and private, carry only a little over 24 per cent of our foreign trade.

Mr. McKELLAR. That is a very humiliating statement for the Shipping Board to make. If we have come to the point where we are now carrying only a fourth of our own trade, when we formerly, under Government ownership, carried a half or more, it is to the discredit of the Shipping Board, which is trying, in my judgment, to dissipate the great merchant marine we had at the close of the war. I think they have made every effort to dissipate it and get it out of the Government's hands at any cost, at any sacrifice, on any terms that were possible. It has been with the greatest effort that we have been able to keep even the small number of ships that are now under the control of the Shipping Board.

Mr. JONES of Washington. I have not agreed with the Shipping Board in its construction of the law and its attitude in certain particulars; but I am satisfied that the Shipping Board has been doing the very best it possibly can and putting forth every effort possible to promote the carriage of our goods in American ships.

Mr. McKELLAR. If it is doing that, how in the name of heaven is it possible for us to have lost already half the business that our ships were carrying six or seven years ago?

Mr. JONES of Washington. I am not going into that matter now. I simply state the fact which is a fact.

Mr. McKELLAR. And it is a very humiliating fact.

Mr. JONES of Washington. I agree with the Senator, and I think I shall have to wrestle with the Senator from Tennessee to get him to come around to the point that I have reached, that while I am ready to sink my preferences for private ownership and am willing to take Government ownership and operation in order to have an American merchant marine, yet I want the Senator from Tennessee to get to the point where, if it is necessary in order to get an American merchant marine, he will sink his preference for Government ownership in behalf of private ownership.

Mr. McKELLAR. I have stated that many times. That is the way I feel about it. But from the experience we have had since 1920, with our Shipping Board constantly trying to divest itself of as many of our ships as possible, and when I have seen year after a year a constant decrease in the amount of business that our ships carry, I am convinced that we will not be able to create and uphold and maintain a great merchant marine except by Government operation and control.

Mr. REED of Missouri. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Missouri?

Mr. JONES of Washington. I yield to the Senator from Missouri.

Mr. REED of Missouri. For several days I have been unable to be present. I am not able to remain in the Senate Chamber now. But I am so interested in the statement the Senator from Washington just made that I would like to get a little further light on it. He stated that he is willing to sink his opposition to Government ownership in order to get better shipping results, and that he thought the Senator from Tennessee ought to sink his opposition to private ownership in order to get better results. Now, if each of them sinks his preference and they change sides, I was just wondering where the country is going to be left? [Laughter.]

Mr. JONES of Washington. If the Senator had been here throughout my speech he would have understood.

Mr. REED of Missouri. I heard that statement.

Mr. JONES of Washington. I know, but this is the point I am making there. Whenever we on the floor of the Senate get where we are ready to give up our personal preferences, if it is necessary to accomplish results, then we will get results. That is all I intended to say, of course.

Mr. REED of Missouri. I just wondered if the Senator was going to make this trade whether we were going to get any boot?

Mr. JONES of Washington. No; we are not going to make a trade. I have said merely that I had reached the point where I am willing to vote for Government ownership and Government building of an American merchant marine, because I do not think we can get it by any other method.

Mr. McKELLAR. That to me is a very gratifying statement on the part of the Senator from Washington.

Mr. REED of Missouri. Now, if we can just hold the Senator from Tennessee in his place, we will get a merchant marine. [Laughter.]

Mr. BRUCE. Mr. President—

Mr. JONES of Washington. I yield to the Senator from Maryland.

Mr. BRUCE. I desire to ask the Senator from Washington whether we could not have a merchant marine if we would subsidize privately owned ships? I am not saying that I approve of Government subsidies, but the Senator says nothing but Government ownership and operation will avail.

Mr. JONES of Washington. I think we could; but I do not believe there is any chance of our passing a subsidy bill and, believing that, I am ready to support the next proposition, and I am going to offer a bill along that line.

I do not know just how this will connect up with what I was saying a while ago, before this interruption, but not only would we get the commercial benefits, but our essential shipyards would be maintained against a great national need. This in itself would be a most substantial benefit to the country in time of peace as well as in war.

Let me say here that it has been suggested to me in the last few days that some of our most substantial shipyards are likely to go out of business unless something of this kind is done. Possibly that was one of the strong arguments presented which led us to adopt our naval cruiser program, in the hope of tiding some of our shipyards over. It is very important, of course, especially so in time of war or in time of need, that we should have our shipyards. This program would give them work.

I suggested a moment ago that we might take \$300,000,000. In my judgment, we need not take so much money as one year's appropriation for the Navy. Create a revolving fund of \$125,000,000 to build up-to-date ships, provide an annual replacement sum of \$25,000,000, and we will soon have a merchant fleet of fine ships, suitable for commerce and national security.

This program can be carried out without in the slightest degree interfering with private enterprise. No Government service should or would be allowed to compete with a private adequate service. As services are developed they may well be sold to enterprise, but this should only be done upon a purely business basis, the Government receiving fair compensation for its property. This can well be left to be taken care of as the occasion arises.

We are now considering a bill to aid the farmer. I am going to support it because I want to help the farmer and because I deem his prosperity as vital to the prosperity of the country. There may be honest differences over the measures to aid him, but his welfare is so vital to the Nation that we are going to put aside our doubts, give up our preferences, and lay aside our differences and vote for this measure in the hope that it will aid in bringing the long-delayed prosperity of one of, if not our real, basic industries.

As I have said, the farmer needs an American merchant marine. He needs it as a citizen of the Republic of which he is such a stable part. He needs it more than any other great industry because of the character of his products and his need of markets that can be reached only by ships. His condition to-day is in no small degree due to the consequences coming from the lack of ships when the war began. His products rotted at the dock and in the bin because there were no ships to carry them to the markets crying out for them. Shipping is important to our seaboard and our ports, but, in my judgment, it is a more vital need to the interior and our farmers, because it is from there and from them that come hundreds of millions of dollars' worth of products that can get to no market except by ships, and which soon waste away if ships are not available, and if these surplus products can not get to market the reaction upon the remainder of the product is most disastrous. I may be wrong in this, but it does seem to me that of all our people the farmer should be most earnest and insistent upon having an American merchant marine, and be the most earnest in supporting any measure that can be gotten through that will offer a reasonable hope of a merchant marine. It would be a fitting complement to the pending bill if we would pass a bill that would give us a merchant marine commensurate with our

wealth, power, commerce, and position among the nations of the world.

Mr. President, as the Senator from New York [Mr. COPELAND] suggested a short while ago, we passed a resolution in the last Congress providing for investigation by the Shipping Board, asking it to report to Congress the means of building up a merchant marine. They held hearings all over the country and, as has been stated, the general sentiment seemed to be strongly in favor of private ownership, private operation, and so on. The Shipping Board presented its report to Congress. That report did not meet the situation as I thought it ought to be met. It did not respond as was intended by the resolution passed by Congress. It stated general propositions, but did not submit any concrete form or plan that the Shipping Board considers necessary to bring about the construction and maintenance of a merchant marine.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. JONES of Washington. I yield.

Mr. FLETCHER. I want to say to the Senator that I am afraid he is pursuing the course which the Shipping Board have been pursuing, apparently, in their construction of the merchant marine act of 1920. They have adopted a policy which emphasizes the second clause in that act providing that ultimately those ships ought to be passed to private ownership as being the primary purpose of the act.

Mr. JONES of Washington. I certainly have not intended to convey any such idea.

Mr. FLETCHER. I am using this as an illustration. Of course, the Senator knows that Congress intended that the primary thing to be done was to establish and maintain an adequate American merchant marine.

Mr. JONES of Washington. Sure; but let us not bring up any differences of opinion between our friend from New York [Mr. COPELAND] and myself in this regard.

Mr. FLETCHER. I am not going to do so. The Senator now says that upon making this investigation throughout the country it was found that the sentiment seemed to be in favor of an American merchant marine privately owned. I think the first thing they concluded from the investigation and the first thing emphasized in all the hearings was that we must have an American merchant marine. The private-ownership feature of it is a secondary consideration. I am afraid the Senator in mentioning that the result of that hearing was that they found public sentiment in favor of private ownership—

Mr. JONES of Washington. The Senator has not heard all of my speech.

Mr. FLETCHER. No; and I am very sorry. I did not know the Senator was going to speak this morning on the question of the merchant marine or I should have certainly been in my place, but I had some other work to do. I may have some observations to submit on that general subject myself. In fact, I was getting up some data on that subject this morning. I regret exceedingly that I have not heard the Senator's speech.

What I wanted to do was simply to say that the result of all the country-wide investigation under the Senator's resolution, which was a very proper and wise one, was that they found the sentiment over the country in favor of an adequate American merchant marine, undoubtedly and unquestionably. Now, they did find that public sentiment generally is in favor of private ownership, but the first thing to do is to have an American merchant marine and have it adequate for our needs in commerce and national defense. The question of private ownership was a secondary conclusion.

Mr. JONES of Washington. I want to say that there was no necessity for the adoption of my resolution to determine whether or not the people of the country would say they favor an American merchant marine. Political platforms and conventions of every class and character have time after time declared in favor of an American merchant marine. I do not think we could find an American anywhere who, if asked whether he was in favor of an American merchant marine, would say he was not. I did not consider it necessary for the Shipping Board to go about the country and try to ascertain whether or not the people thought that we ought to have a merchant marine. I took that for granted. What I wanted was concrete proposals by which we could get an American merchant marine by private capital and by governmental ownership. When we go to work these ideas out, then come our differences.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. JONES of Washington. I yield.

Mr. COPELAND. I would like to say to the Senator from Florida that it is too bad he did not hear the address, the very able and convincing address, of the Senator from Washington. The Senator from Florida will be delighted to know that he now has a very strong ally in the Senator from Washington.

The Senator from Washington has declared himself as in favor of Government ownership and operation.

Mr. JONES of Washington. Because it is the only resort I see.

Mr. FLETCHER. Mr. President, I will read the address in the Record and shall study it very carefully. I am glad to have the assurance of the Senator. Without any more ado about it, we have come to a point where we are obliged to follow that course, whether we like it or not, if we are to have an adequate merchant marine.

Mr. JONES of Washington. That is my position, exactly; the Senator from Florida has stated it in just a few words. I have not sought to go into details in this speech; I merely wanted to state general grounds upon which I have reached this conclusion. I have taken much more time than I intended, but I think the Senate understands the reason why. I merely wish to add—

Mr. McKELLAR. Mr. President, before the Senator concludes, may I make a brief statement?

Mr. JONES of Washington. I yield to the Senator from Tennessee.

Mr. McKELLAR. In the colloquy a few moments ago the Senator asked me if I would be in favor of private ownership when it came down to a point where that was the only way to secure and maintain a merchant marine, and I told him I would. I feel this way about it: I am primarily for Government ownership and control, and believe that that is the only way we shall ever maintain an American merchant marine such as we ought to have. I do not believe it can be done by private hands, and, of course, I am still supporting in every possible way Government ownership and control of our merchant marine; still, if it could be shown that the only way to have a merchant marine were through private ownership, so strongly do I believe that it is to the vital interest of the country to have a merchant marine that I would even be willing to forego my own opinion and adopt that plan.

Mr. JONES of Washington. I think the Senator from Tennessee and I occupy about the same position.

Mr. President, I do not want to take more time and shall be brief. After the Shipping Board submitted its report on the resolution, I advised them that I did not think it complied with the resolution at all; that what I desired and what I believed the Senate desired was that they should submit what, in their judgment, was necessary in order to bring about a merchant marine privately owned and privately built; and also what was necessary, in their judgment, to bring about a merchant marine through Government construction and operation. We were not asking them to commit themselves to either proposition, but we were asking them to study the situation and to determine, if a subsidy were the only way they saw to get a merchant marine through private ownership, what should be the character of a bill to accomplish that purpose; not whether they were for it or against it; then what sort of a program should be followed in case of Government ownership. I asked them to study those phases of the proposition. They have done so, and they have submitted two propositions. I have them here and I wish to make their position perfectly plain. They are not recommending this, but they are saying that what is embodied in the bill which they have sent to me, which they have had prepared, dealing with private ownership and operation, if we are to have a merchant marine through private ownership and operation, they believe is necessary to bring it about.

Then they have also said, not that they are in favor of that nor that they are in favor of Government ownership and operation, but that if we are to have an American merchant marine through Government ownership and operation and construction the other bill embodies the plan they would suggest. So, Mr. President, I ask to have printed in the Record as a part of my remarks the letter from the chairman of the Shipping Board transmitting to me the two bills.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The letter is as follows:

UNITED STATES SHIPPING BOARD,
OFFICE OF THE CHAIRMAN,
Washington, February 1, 1927.

HON. WESLEY L. JONES,

United States Senate, Washington, D. C.

DEAR SENATOR JONES: In compliance with your request that the Shipping Board prepare drafts of two bills representing, respectively, the separate plans for building up and maintaining an adequate merchant marine, first, through private capital and under private ownership; and, second, through construction, operation, and ownership by the Government, as outlined in the board's report in response to Senate Resolution 262.

I am sending herewith a draft of bill embodying a ship-subsidy schedule, which the board feels would be appropriate if Congress decides to adopt a ship-subsidy measure to promote the operation and ownership of merchant ships by private capital.

There has already been transmitted to you a draft of a bill covering plan No. 2, which the board feels is essential now to further establish economical and efficient operation by the Government and at the same time hold the door open for the further development of private operation if Congress decides to amend the merchant marine act to provide for a more definite and adequate policy concerning this form of promoting a merchant marine.

Very truly yours,

T. V. O'CONNOR, *Chairman.*

Mr. JONES of Washington. Mr. President, I ask leave to introduce at this time a bill to further develop an American merchant marine. This bill deals with the Government ownership proposal. I ask that the bill may be read, printed, and referred to the Committee on Commerce, and I will also ask that it be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 5668) to further develop an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States, and for other purposes, was read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the Record, as follows:

[S. 5668, 69th Cong., 2d sess.]

A bill to further develop an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States, and for other purposes

Be it enacted, etc., That the policy declared in section 1 of the merchant marine act, 1920, is hereby confirmed, and the purpose of the United States to maintain permanently a merchant marine adequate for the proper growth of the foreign and domestic commerce of the United States and for the national defense is hereby reaffirmed.

SEC. 2. The board shall not sell any vessel or any line of vessels when, in its judgment, the building up and maintenance of an adequate merchant marine can be best served by continued ownership and operation of such vessel or such line by the United States.

SEC. 3. In addition to ordinary repairs to vessels incident to their regular operation, the board may recondition and improve vessels owned by the United States and in its possession or under its control, so as to equip them adequately for competition in the foreign trade of the United States.

SEC. 4. The necessity for the replacement of vessels owned by the United States and in the possession or under the control of the board and the construction of additional up-to-date cargo, combination cargo and passenger, and passenger ships, to give the United States an adequate merchant marine is hereby recognized, and the board is authorized and directed to present to Congress, from time to time, recommendations setting forth what new vessels are required and the estimated cost thereof, to the end that Congress may, from time to time, make provision for replacements and additions. All vessels built by the board shall be built in the United States and whenever deemed desirable they shall be planned with reference to their usefulness as auxiliaries to the naval and military services of the United States.

SEC. 5. No vessel constructed pursuant to this act shall be sold without the consent of Congress hereafter given.

SEC. 6. The appropriations necessary to carry out the provisions and accomplish the purposes of this act are hereby authorized.

SEC. 7. All acts and parts of acts inconsistent with this act are hereby repealed.

Mr. JONES of Washington. I have here also a bill which the Shipping Board has prepared and transmitted to me with reference to a plan for private ownership and operation, which I ask that I may introduce and have referred to the Committee on Commerce, and I also ask that it may be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 5669) to make possible private ownership and operation by citizens of the United States of America of vessels operated in foreign trade, was read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the Record, as follows:

[S. 5669, 69th Cong., 2d sess.]

A bill to make possible private ownership and operation by citizens of the United States of America of vessels operated in foreign trade

Be it enacted, etc.—

SECTION 1. The declaration of policy set forth in section 1 of the merchant marine act, 1920, is hereby confirmed, and it is hereby declared to be the purpose of the United States of America to perma-

nently maintain a merchant marine adequate for the proper growth of the foreign and domestic commerce of the United States and for the national defense; and to the end that vessels documented under the laws of the United States may be owned by American citizens and operated by them in foreign trade, the Secretary of the Treasury is hereby authorized and directed to enter into contracts as hereinafter provided.

SEC. 2. Such contracts shall be made only with a citizen of the United States as defined by section 2 of the shipping act, 1916. The term "owner," as hereinafter used, refers to the citizen with whom such a contract is made. If the owner is a corporation, the entire stock of the corporation at the time of the making of the contract shall be owned by citizens of the United States, and if the ownership or control of the stock at any time thereafter is not in compliance with the requirements of section 2 of the shipping act, 1916, for citizenship, all compensation under the contract shall be suspended for all periods of time during which the ownership of the stock does not meet such requirements.

SEC. 3. Compensation under the contract will be made with respect only to vessels which are documented under the laws of the United States and which were built in, or on January 1, 1927, were vessels documented under the laws of the United States, and whose type, kind, and quality have been approved by the United States Shipping Board, hereinafter referred to as the board. The term "vessel," as hereinafter used, refers to vessels to which the contract relates and which meet the tests prescribed by this act. The vessel shall be classified by the American Bureau of Shipping.

SEC. 4. In consideration of the compensation provided for in such contract the owner shall covenant with the United States, as follows:

(a) The vessel shall be kept continuously under the flag of the United States, not only during the period the contract remains in force but for the full period named in the original contract, notwithstanding it may be prematurely terminated.

(b) The vessel shall transport all United States mails tendered it by the Postmaster General for transportation to any port visited by it on a particular voyage, at the same rate of compensation paid vessels of foreign registry for transporting United States mails. At the request of the Postmaster General, facilities for sea-post service shall be provided on the vessel without additional compensation.

(c) In time of war, or during any period of national emergency evidenced by a proclamation of the President, if the vessel is commandeered or requisitioned by the United States, the compensation to be paid therefor shall be determined without reference to the value of similar tonnage in the world market, or elsewhere, at the time it is commandeered or requisitioned; it shall be determined on the basis of the average value of similar tonnage during the five-year period next preceding the commencement of the war or national emergency.

SEC. 5. When the vessel is operated as a common carrier and the major portion of its cargo (in bulk) is dry or perishable cargo, there shall be paid to the owner for such periods of time as is hereinafter more particularly set forth the following compensation for voyages of the vessel on which freight is being transported between the United States and a foreign port not less than 1,000 miles distant from continental United States: *Provided, however,* No compensation shall be paid for a voyage from a port in continental United States to a port in a foreign country contiguous to the United States:

(a) To vessels having a speed up to and including 10 knots, compensation at the rate of \$4 per gross ton per year.

(b) To vessels having a speed of more than 10 knots and up to and including 12 knots, compensation at the rate of \$5 per gross ton per year.

(c) To vessels having a speed of more than 12 knots and up to and including 14 knots, compensation at the rate of \$8 per gross ton per year.

(d) To vessels having a speed of more than 14 knots and up to and including 15 knots, compensation at the rate of \$9 per gross ton per year.

(e) To vessels having a speed of more than 15 knots and up to and including 16 knots, compensation at the rate of \$10 per gross ton per year.

(f) To vessels having a speed of more than 16 knots and up to and including 17 knots, compensation at the rate of \$11 per gross ton per year.

(g) To all vessels having a speed of more than 17 knots, compensation at the rate of \$11 per gross ton per year and an additional sum per year equal to 25 cents per gross ton multiplied by the number of knots speed the vessel has in excess of 17 knots.

The speed of a freight vessel shall be determined by its average speed at sea when loaded to three-fourths of its maximum draft. The speed of all vessels shall be determined under rules prescribed by the board. When the speed of a vessel is certified by the board such certification may be accepted by the Secretary of the Treasury as final for the purpose of determining the compensation due under the contract.

SEC. 6. Compensation hereunder shall relate only to periods of time incident to the operation of the vessel in the foreign trade of the United

States, but nothing herein contained shall be construed to require the vessel to be operated continuously in the foreign trade of the United States through the whole or any definite part of the contract period. The compensation may be paid from time to time for such period or periods as the vessel may engage in foreign trade of the United States, and it shall be entitled to compensation accordingly.

SEC. 7. Such contracts may be made for any period of time, not exceeding 20 years: *Provided, however*, any such contract shall terminate and thenceforth be void when the vessel is 20 years old, computed from the date the vessel was launched.

SEC. 8. In addition to and apart from the requirements of law with respect to the citizenship of the officers and crew of the vessel not less than one-half of the deck and engine crew shall be citizens of the United States, as a matter of contract.

SEC. 9. The obligations assumed by the owner with respect to the ownership of the vessel by citizens and its retention under the American flag shall be covenants running with the vessel for the full contractual period of time named in the contract. Any change of the vessel to foreign ownership or to foreign flag shall be illegal, unless or until there has been paid into the Treasury of the United States, by or in behalf of the owner, an amount equal to the total of all sums of money which may have theretofore been paid by the United States (in respect to the vessel involved) under the provisions of such contract.

SEC. 10. Compensation under the contract shall be at the rate per year hereinbefore prescribed. The term "year" as thus used means an aggregate of 365 days (not necessarily consecutive) through each of which the vessel has been operated in the service prescribed by this act. In computing such time there may be included the entire period which elapses between the sailing of the vessel on the outward voyage from the port in the United States from which the vessel departs, having on board the major portion (in bulk) of the cargo taken aboard in the United States for export, and the arrival of the vessel on the return voyage at that port in the United States where the return cargo is unloaded, or, if not wholly unloaded, the amount remaining unloaded is a minor portion (in bulk) of the entire cargo imported into the United States by the vessel on that voyage: *Provided, however*, the actual time at sea may be corrected to conform to reasonable time for the mileage covered at the rate of speed which is the basis of the compensation paid: *And provided further*, actual time in port may be corrected to conform to reasonable time for the vessel's visit under the circumstances then existing: *Provided further*, There shall not be included in the computation time used by the vessel in trade between foreign ports after three-fourths (in bulk) of the outward cargo from the United States has been discharged and before three-fourths (in bulk) of the return cargo to the United States has been loaded.

SEC. 11. In the event that any interest in the vessel is acquired by an alien by purchase, gift, inheritance, or otherwise; or, in the event the owner is a corporation, if the ownership or control of any portion of the stock of the corporation is vested in an alien by purchase, gift, inheritance, or otherwise the amount of compensation which the owner would otherwise be entitled to receive from the United States (in respect to the vessel involved) under the provisions of such contract shall be reduced in the proportion of the interest in the vessel owned by aliens; or, if the owner be a corporation, in the proportion that the amount of stock owned by aliens bears to the total amount of stock of the corporation.

SEC. 12. In the event the vessel has a speed exceeding 18 knots nothing herein contained shall affect the right of the owner to compensation under contracts hereafter made for transportation of mails by such vessel: *Provided, however*, in that event the owner (in respect to such vessel) shall not be entitled to compensation under the provisions of section 4, subsection (b), of this bill; nor to any additional compensation under the provisions of section 5, subsection (g), hereof.

SEC. 13. The provisions of this act shall apply also to trips of the vessel between the United States and the Philippine Islands unless and until the coastwise laws of the United States are extended to such traffic.

SEC. 14. The computation of time incident to the earnings of a vessel under the provisions of this act shall be made pursuant to rules prescribed by the board. The contract shall not be assigned by the owner without the consent of the board; if assigned without such consent, the contract will terminate and thenceforth be void.

SEC. 15. All acts and parts of acts in conflict with this act are hereby repealed.

Mr. COPELAND. Mr. President, I saw in one of the newspapers this morning—I tried to find it while the Senator from Washington was speaking—an account of a visit to the President on yesterday of some Member of the House of Representatives who proposed a \$150,000,000 appropriation to hold up the hands of the Shipping Board. Is the Senator from Washington advised regarding that matter?

Mr. JONES of Washington. I am not. The Senator's statement is the first intimation I have had of it.

Mr. COPELAND. The Senator will recall that we have a fund aggregating between fifty and sixty million dollars, as I remember it.

Mr. JONES of Washington. There remain about \$38,000,000 unallotted, and there are about eighteen or nineteen million dollars represented by securities which it is hoped could go into this fund.

Mr. COPELAND. It is between fifty and sixty million dollars?

Mr. JONES of Washington. Together with the \$18,000,000 it would aggregate about \$60,000,000.

Mr. COPELAND. That is money that may be used by the Shipping Board in the way of loans to private individuals who desire to make replacements or to add to the fleet, but which can not be used by the Shipping Board for the building of ships in the absence of legislation.

I assume from the article I saw this morning that the President's view—and I was quite surprised that anybody should express the President's view quite so freely—was that he was willing that that fund, and even an increase in the amount to \$150,000,000, should be used for replacements and additions to the fleet. I am sure from the very able address the Senator from Washington has made this morning that he advocates the idea that there certainly must be additions; and there certainly must be provision made for replacements to the fleet if we are to have, in the first place, an adequate merchant marine, and then if it is to continue as such.

I wish to state for myself that I want to help in any way possible to provide an adequate merchant marine. I am convinced, of course, that we ought first to make an effort to have these ships operated, not under contract or lease or whatever the arrangement may be that is made when we hire an operator, but under charter to private operators.

I think, Mr. President, if the Senator will permit me to say it, that that is one step which the board has not taken. Instead of trying to find purchasers—and we know that is impossible, for no one will buy—if they would advertise for persons to charter these ships and to operate them privately, then they would have all the initiative and the ambition and the enterprise of private ownership, or, at least, private operation, to make the enterprise succeed.

At any rate, so far as I am concerned, I want to see these ships operated, and I congratulate the Senator from Washington for his very able and convincing presentation of the very important subject. I believe that every Member of the Senate should go out as a propagandist to impress upon the people of this country the national necessity of an adequate merchant marine. We can have no adequate protection, we can have no national defense, without it, and certainly, so far as the great industrial life of our country is concerned, it can not thrive, as I see it, without an adequate merchant marine.

Mr. JONES of Washington. Mr. President, as the Senator from New York suggests, I think that every Senator and every Representative ought to make himself a propagandist during the summer, because I think the need of our adopting a definite policy is imperative. Many of the ships which we have are, as I have said, fast wearing out and now becoming out of date. They are all in age nearly over half the ordinary age of a ship. It takes time for Congress to enact legislation of this kind, and if we are going to have good ships, fast ships, it takes possibly not less than two years to prepare the plans and build one of them. So the first thing we know, unless we take some definite action in the very near future, we will have no merchant marine.

The only reason why I have made this statement to-day and have introduced these bills—and, of course, I do not expect to have any affirmative action taken at this session—is that the Congress may be studying the matter and that at the first session of the next Congress we may take up this problem seriously and earnestly and adopt some definite policy.

Mr. President, let me say just a word further. We passed a bill the other day with reference to the \$125,000,000 fund to which the Senator from New York has referred. I am glad that we were able to pass that bill through the Senate. I hope it will be acted upon favorably by the other House. Under the bill, if it shall pass the House of Representatives, this fund in the near future will be brought up to \$125,000,000. Of course, under the law as it is now, that can not be used except for loans; but if we adopt a general policy, I have no doubt that we will provide for and authorize Congress to appropriate money from time to time for the building of ships out of the \$125,000,000 fund, and, in my judgment, that \$125,000,000 fund as a revolving fund will be adequate to take care of the situation. In the meantime it will be available for those who will

undertake the construction of ships for operation under the American flag.

WIDENING OF NICHOLS AVENUE SE., IN THE DISTRICT OF COLUMBIA

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 4727) to provide for the widening of Nichols Avenue between Good Hope Road and S Street SE., in the District of Columbia, which were, on page 3, line 11, to strike out all after the word "the," where it appears the first time, down to and including the word "as" in line 19; and on page 3, line 21, after the word "Columbia," to insert:

That the money necessary to carry out this act that is in the Treasury, not otherwise appropriated, is hereby authorized to be appropriated.

Mr. CAPPER. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

INTERNATIONAL LONGFELLOW SOCIETY—LETTER FROM QUEEN MARIE

Mr. COPELAND. Mr. President, I ask unanimous consent to insert in the RECORD a letter from Queen Marie.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ON BOARD THE R. M. S. "BERENGARIA,"
November 28, 1926.

ARTHUR CHARLES JACKSON, Esq.,
President International Longfellow Society,
Portland, Me.

DEAR MR. JACKSON: I have duly received your letter of the 12th instant, in which you confer upon me the honor of electing me honorary president of the International Longfellow Society. I am delighted to accept that relationship.

I regret that during my recent tour I was unable to visit Portland, the birthplace of your great poet.

Yours sincerely,

MARIE.

TOLEDO SPEECH OF HON. WILLIAM G. M'ADOO

Mr. COPELAND. I ask unanimous consent to have printed in the RECORD a very interesting letter by Frederick H. Allen on the subject of Mr. McAdoo's Toledo speech.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE TOLEDO SPEECH

TO THE EDITOR OF THE WORLD:

By his speech at Toledo Mr. McAdoo reads himself out of the Democratic Party—that is, if the party gives more than lip service to the foundation principles of its creed—for he advocates the use of the police power by the Federal Government in States that have not passed a State prohibition enforcement act. It would mean the annihilation of State government and enslavement of the people of a State that does not see eye to eye with Washington. No one can foresee to what further lengths such a doctrine would carry us—the doctrine that the Federal Government can coerce a State government. He utterly abandons the major tenet of the Democratic Party, the tenet of State rights. He advocates the destruction of the principles of the Constitution. Again, he tries to excite prejudice and passion by citing the names of Tweed and Croker and by using the worn-out battle cry of Tammany Hall. He would have the Supreme Court declare that a State has no power to repeal a law once passed, such as the Mullian-Gage Act. He claims that the Supreme Court should declare the Volstead Act in force should Congress repeal or modify it. He thus advances the idea that the Supreme Court can coerce the legislature.

These are the reckless utterances of a man whose sole object is the pursuit of power by whatever means obtained, and to this is linked the motive of revenge, for to Governor Smith he credits his defeat in 1924. As Milton said:

"All is not lost; th' unconquerable will,
And study of revenge, immortal hate."

He thinks the majority of the country is dry, and by inciting the enmity of the countryside against the cities, which he pictures as debauched and controlled by alliances between officials and the vicious and the criminals, he advocates a new sectionalism and tries to awaken a new antagonism, and thereby secure his goal.

No reasonable man, whether he be bone dry or not, can read the Toledo speech without a feeling of regret for one who through perverted ambition enunciates such doctrines as Mr. McAdoo advocates. No such an attack has ever been made upon the Constitution, and rarely such an appeal to prejudice and passion, and this under the guise of an address to lawyers who should be the first to repudiate it.

FREDERICK H. ALLEN.

NEW YORK, January 31.

THEODORE F. SHUEY

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point an

interesting editorial from the New York World of February 8, 1927, relating to the 60 years of work for the Senate by Mr. Shuey.

The PRESIDING OFFICER (Mr. FRAZIER in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

SIXTY YEARS OF SENATORIAL ORATORY

Apropos of remarkable old men, is there any more amazing than Theodore F. Shuey, who has just commenced, at the age of 82, his sixtieth year as stenographer of the United States Senate? What a long procession of Senators have passed in review before him and out of sight and out of the public mind. Here is a man who might be justified in some cynicism on human pride and ambition. How many Senators who loomed large in their little day have passed completely from the memory of man? When Mr. Shuey began to ply his pen on senatorial eloquence we were in the midst of the mad days of reconstruction. He reported during his first session the speeches of Charles Sumner, Lyman Trumbull, James A. Bayard, Thomas A. Hendricks, Zack Chandler, Reverdy Johnson, Roscoe Conkling, William Pitt Fessenden, and others whose names are but letters making sounds. Blaine had not yet entered the Senate. And yet among the men lost to memory and even to history there was more than one pompous fellow feeling sure that he was bound for an immortality of fame.

During the last 60 years the pen of Shuey has reported them all. He knows the vanities, the follies, the struts, and poses of them all, and perhaps he has corrected the grammar of more than one. They came, saw, were conquered, and passed beyond the mists of the years, and this old man continued on to the service of others doomed to the same end. How he must smile at times to-day when he notes the same complacency and assurance in men he knows will join the others in the shadows that are too deep to penetrate and too uninteresting to explore. Unknown to the multitude he has done his work perfectly, and an essential work—more perfectly than most Senators, many of whom may have patronized him at times. How many a quiet chuckle he must have had.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 11421) to provide for conveyance of certain lands in the State of Alabama for State park and game preserve purposes.

The message also announced that the House further insisted on its disagreement to the amendments of the Senate Nos. 8, 9, and 10 to the bill (H. R. 16462) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1927, and prior fiscal years, and to provide urgent supplemental appropriations for the fiscal year ending June 30, 1927, and for other purposes.

POEMS BY HORACE C. CARLISLE

Mr. HARRIS. Mr. President, I ask unanimous consent to have printed in the RECORD two poems by Horace C. Carlisle, formerly of Alabama, now a resident of Washington. One is on Frank L. Stanton, who for many years was on the Atlanta Constitution, and the other is a splendid and deserving tribute to the junior Senator from Alabama [Mr. HEFLIN].

There being no objection, the poems were ordered to be printed in the RECORD, as follows:

THE SOUTHLAND'S SORROW

When death closed Frank L. Stanton's eyes,
And stilled his pen, and sealed his mouth,
And called his spirit to the skies,
A wave of sorrow swept the South—
No more his songs of charm and cheer,
On inspiration's printed page,
In fragrant freshness shall appear
With gems of joy for youth and age.

He's not—and yet we know he is—
True contradiction, strangely odd—
For, from those higher heights of his,
Fell revelations fresh from God.
As long as live the lives of men,
As long as love on earth shall last,
Shall Stanton, living thru his pen,
Enrich the present from the past.

The poetry of letters lost
Her constellation's master-star
When Frank L. Stanton calmly crossed,
With folded hands, the fatal bar,
His songs like silver streams of love,
Poured, unseen, from a golden bowl,
As soft as whispers from above,
Shall live, eternal as the soul.

HORACE C. CARLISLE.

COURAGE TO BATTLE ALONE

There's a masterful figure that sits in the Senate,
Lending strength to its hindermost row—
A dependable, powerful friend and companion,
But a daring and dangerous foe.
With the polish of Paul and the passion of Peter,
And the faithful affection of John,
He is feared and revered as an outspoken power,
With the courage to battle alone.

When the right is assailed or the truth is evaded,
He arises, already resolved—
In his dutiful heart—for a fight to the finish,
As though he were directly involved;
While devotion to duty, the mark of distinction—
That by which he's especially known—
Gives him wonderful prestige, remarkably strengthened
By his courage to battle alone.

"White supremacy" should be our national slogan,
Sung aloud from the heart through the mouth,
In the East and the West and the North with the spirit
That it's sung from the heart of the South.
That this "safety first" doctrine will save the Republic,
He declares in no soft undertone—
But he thunders his words, driving home his convictions,
With the courage to battle alone.

He's a friend to the fellow in humble apparel
Who, with hammer or shovel or plow,
Through the long, weary hours of anxious endeavor
Earns his bread by the sweat of his brow.
And while preaching the gospel of growth and progression,
He is happy to claim as his own
An abiding belief in the old-time religion
And the courage to battle alone.

There has never yet stood on the floor of the Senate
A more resolute friend to mankind
Than this great Alabamian, pledged to his duty
To the South, in whose heart he's enshrined.
He is writing his name on her history's pages—
When he's gone, she will carve it in stone
That her Senator HEFLIN deserved the distinction
Of the courage to battle alone.

Would to God there were more of our public officials
Unafraid of unpopular truth;
Unafraid to refute the delightful delusions
That imperil our passionate youth;
Unafraid of the menacing threats of destruction
That along pearly pathways are strewn;
Unafraid of the world and the flesh and the devil—
With the courage to battle alone.

HORACE C. CARLISLE

FARM RELIEF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 4808) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities.

Mr. ROBINSON of Indiana and Mr. BRUCE addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. BRUCE. Mr. President, it is a very remarkable fact that I never have been able to obtain recognition of the Chair when it is occupied by its present occupant.

Mr. ROBINSON of Indiana. Mr. President, I do not desire to make any extended remarks with reference to the agricultural question at this time. I had an opportunity to discuss it at length, along with other Members of the Senate, at the last session. I have been very much interested in the discussion which has taken place so far at this session. I am glad so many Members of the Senate are friendly to the proposed legislation. There are two or three observations I desire to make, but I do not expect to detain the Senate long.

There is an agricultural problem; nobody doubts that fact. The question is, How shall it be solved? We know that the mortgage loans on farms in the United States have increased from something like \$4,000,000,000 in 1910 to above \$12,000,000,000 in 1925. We know that farm values in this country have decreased in the five years from 1920 to 1925 from more than \$79,000,000,000 to something like \$59,000,000,000.

We know that thousands and hundreds of thousands of people are moving from the farms to the cities; that farms are being abandoned right and left; that farm crops are being sold, and have been sold for some years, for less than the cost of production; and we know, finally, Mr. President, that if this con-

tinues agriculture will die in this country, and we shall be forced to import our food supply from an unfriendly world.

The farmers of America who are urging this legislation are not necessarily, as was suggested by one Member of this body, unreasonable propagandists. Objection was made to allowing members of the farm organizations to suggest names for the Federal farm board that is to be created under this bill. It was suggested that this encroaches on the Executive prerogative, although there is precedent for that procedure in the transportation act. I want to answer briefly the question that has been raised in this connection.

I quote from the speech of the junior Senator from Ohio [Mr. Fess], as follows. Referring to section 2 (a) of the bill, he says:

It does not give the power to the President to appoint, but limits the power of the President. This proposal puts behind the board the official prestige of the Government, but the board is to be selected by propagandists representing farm organizations throughout the United States.

Mr. President, I deny the accuracy of that statement, and desire to analyze the provision in the bill itself which has to do with the nominating committee. I quote from subsection (c) of section 2, on page 3 of the bill:

(c) The Secretary of Agriculture shall, within 30 days after the approval of this act and biennially thereafter, with the advice of such farm organizations and cooperative associations as he considers to be representative of agriculture in any district—

That is to say, that the Secretary of Agriculture, a part of the executive department of the Government, shall, within 30 days after the approval of the act, select such farm organizations as he considers to be representative of agriculture in any district—

(1) fix the date on which a convention in such district shall be held, (2) designate the farm organizations and cooperative associations in the district eligible to participate in such convention, and (3) designate the number of representatives and the number of votes to which each such organization or association in the district shall be entitled.

I submit, Mr. President, that the Secretary of Agriculture has complete control over all the machinery for selecting the nominating committee. He himself appoints one of the five members. He himself selects the farm organizations that shall be charged with the duty of naming the rest of the committee, which in turn submits names of three candidates for the farm board to the President for his consideration, one of whom must be selected by the President under this bill. He designates the organizations that shall take part, designates the number of representatives, and determines when the convention shall be held in the district.

So, Mr. President, the executive department can not be said to have nothing to do with naming the members of the farm board. The executive department has everything to do with it. The executive department sets up the machinery by which recommendations are made to the President, and then the President selects one of the three names that have been submitted. A member of the farm board is thus selected from each of the 12 Federal land-bank districts. So it is unfair to say that the proposal—

puts behind the board the official prestige of the Government, but the board is to be selected by propagandists representing farm organizations throughout the United States.

It seems that in the opinion of some Members of this body everyone who urges farm legislation to solve this great basic problem of the Nation—the biggest problem that has confronted the American people in many, many years—is necessarily a vicious propagandist; but they may come here urging legislation in all other directions, and, in the opinion of some of our Members, it is entirely justified. It is high time some of us were standing up for the American farmer, because there is no more patriotic thing any man can do at this critical moment.

Mr. President, we produce a surplus of crops in this country, and naturally that surplus must be exported, and the surplus of our crops must compete in a world market with the crops of other countries. The world price, therefore, will necessarily be paid for our surplus crop; but, unfortunately, we have no machinery and no means for separating the surplus from that part of the crop needed for domestic consumption. Therefore the world price paid for the surplus governs the price of the whole crop. If we can remove the surplus, segregate it from the part of the crop needed for domestic consumption, and keep it temporarily, even, out of the export trade, then the law of supply and demand is bound to function in such a way as to give wheat, for instance, and other crops protected by an agri-

cultural tariff, the benefit of the tariff. So far as cotton is concerned—because we produce two-thirds of the cotton of the world—it can be fed into the markets of the world and into the domestic market in an orderly manner; but there must be segregation.

So it is with all crops; if we establish this Federal farm board they can be handled efficiently, so that the farmer himself can get the benefit of his labor and be paid for his products not only the cost of production but a reasonable figure above the cost of production, representing a decent return for his labor and his capital.

Mr. President, an equalization fee is provided. That is simply a fee paid for service and benefits under the commerce clause of the Constitution. It is not a tax in any sense of the word, and I have heard no convincing argument that would suggest that it is a tax. It seems to me most of what has been said on that subject has begged the question and has consisted largely of dogmatic statement.

It has been urged that this legislation is price-fixing legislation. I deny that, Mr. President. This legislation does not attempt to fix prices. This legislation would influence prices, just as the Federal reserve act influenced prices, just as the immigration act, the Adamson law, the transportation act, and others have influenced prices; but it does not fix prices, as some other acts do. It seems to be all right, in the opinion of some Members of this body, to pass legislation fixing the cost of carrying a bushel of wheat by a common carrier, but entirely wrong to influence the cost of production or marketing of the same bushel of wheat. Of course, reasoning of that kind is fallacious.

Mr. FLETCHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Florida?

Mr. ROBINSON of Indiana. I yield to the Senator.

Mr. FLETCHER. The Senator has alluded to the cost of carrying these products. I doubt very much if this legislation is going to accomplish what its friends hope it will accomplish; but, at the same time, everyone must recognize the necessity for a sound and healthy agriculture, and if by experimenting a little we can help maintain that industry on a proper footing and in a healthy condition, it seems to me we ought to do it.

I desire to ask the Senator whether the people who till the soil and who produce the Nation's food are not suffering very considerably from the high charges imposed for carrying their products to market. The Senator has said we control that. I do not know that we do as much as we ought. For instance, it is stated that the railroads recently have granted an increase of wages of \$5,000,000. Thirty-one thousand railway men, we are told, get \$5,000,000 increase in one instance.

The conductors and trainmen get a wage increase of 7½ per cent in the settlement announced on the railroads in the Southeast area, amounting to \$3,305,000.

I am making no complaint about that. It is possible that the railroad employees do not get any more than they should have or that they earn, and in some instances do not get as much as they ought to have, but the railroads are not very much exercised about it, because they know that they can pass it right on to the shippers. That is not coming out of their pockets ultimately. It will come out of the pockets of the people who have to use that means of transportation in order to carry on their business.

This all means that we are not apt to decrease railroad rates. I have offered an amendment to the transportation act to repeal section 15 (a), but I can never get a report out of the committee. The fact is that railroad rates throughout the country, and especially express charges, are simply enormous, and constitute a severe tax upon the producers of farm products.

Just to illustrate, if the Senator will allow me, although I do not want to interfere too much with his line of thought, I have a letter here, written from Middletown, N. Y., dated December 10, 1926, which reads in part as follows:

Having interests in Florida for 14 years, and knowing the condition of the average Florida farmer, the recent increase in pay to railroad employees prompts me to attach an express bill on a box weighing 60 pounds, containing less than a barrel of Florida potatoes, the express charges being \$2.25. I hope that any legislation beneficial to the farmer in general at this session of Congress will not overlook the Florida farmer.

When the potato grower in Florida has to pay \$2.25 to get 60 pounds of potatoes to his market, it makes it prohibitory. That is one of the difficulties we ought to keep in mind, it seems to me, and inquire of the Senator whether he can suggest any way correcting that and giving a remedy for that situation.

If the Senator will pardon a personal allusion, two years ago I happened to have a little grapefruit grove, some 30 acres in extent, and in one lot I shipped 1,750 boxes. A box of grapefruit contains from 54 to 64 grapefruit. I had invested my money in that grove, had cultivated the crop, had sprayed it, had taken all the chances of the seasons, and all the other chances, and the net return to me from that shipment of 1,750 boxes of grapefruit was 27 cents a box. I would have been very glad to exchange returns with the railroad people who transported it. Their charges were, of course, a great deal more than what I received. Market conditions had to do with that, perhaps, but the freight charges constituted an enormous tax in that instance. At the time I got 27 cents for 64 grapefruit, having produced them, I was paying a restaurant 25 cents for half a grapefruit every morning.

That is a condition which we ought to try to cure in some way, it seems to me. I do not know whether we can do it by legislation or not. I believe, however, that these excessive express charges and freight rates, the expense of transporting the products to market, as well as the bad system of distribution, constitute the chief evils which afflict agriculture in this country to-day.

Mr. ROBINSON of Indiana. Mr. President, I understand the Senator's contention. I do not care to go into that in detail at this time, however. The only point I attempted to make was that the Government does recognize its right to regulate rates for a carrier, and in the transportation act of 1920 the Government did undertake to regulate rates, and to place the regulation of rates in the hands of the Interstate Commerce Commission. If the Government can fix rates in one measure, it certainly has the power to influence prices in another.

I was undertaking to say that there seems to be in the minds of some no objection to fixing a price for carrying a bushel of wheat, but there is objection to influencing the cost of its production or marketing.

Mr. President, others object to this measure on the ground that it will increase the cost of living. They say that we must proceed cautiously, because the cost of living is tremendous now, almost unbearable, and one Member of this body intimated that there would be something close to a revolution if prices were permitted to mount much higher.

Every Member of this body knows perfectly well that the high cost of living is not due to the farmer in any sense of the word. He is not benefited in the slightest degree, because in a fluctuation in the price to the producer of wheat of a hundred per cent, covering a period of 3 or 4 or 5 years, let us say, there was a fluctuation of only 5 per cent in the cost of bread; so that the price paid the farmer for his wheat is not responsible for the high cost of bread.

The price paid the farmer for hides is not responsible for the high cost of shoes. The price paid the farmer for his raw cotton is not responsible for the high price the consumer pays for cotton goods. There is a tremendous spread between the price paid the farmer and the price charged the ultimate consumer. It is the experience of everybody that whether the farmer gets a living price for his products, or whether he is forced to sell at much below the cost of production, the prices of the necessities of life to the ultimate consumer remain practically the same. So, if this legislation shall be enacted into law, I predict that there will be very little difference in the price levels of food commodities.

Everybody wants the farmer to receive fair prices for his products. Everybody wants the American farm to prosper. Everybody who has given any thought to this subject knows that agriculture is intimately related to our national security. All of us must eat, and we must eat off of the farm. If we permit the American farm to perish, we must get our food supply from foreign farms.

It is urged and has been urged time and again through this debate that this legislation is unconstitutional. "Yes," say the opponents of the measure, "it is unconstitutional, because it undertakes to tax the American farmers who are opposed to this plan." I shall not go into that question, because it has been discussed at length and there is a very excellent statement on the whole question of the constitutionality of the measure in the report of the committee.

I may make this statement, however: I am convinced that the measure is constitutional under the commerce clause of the Constitution. I am convinced that the equalization fee, so called, is not a tax, but a service charge for service and benefits rendered to all the producers, 100 per cent of them, throughout the land. I am convinced that every producer will receive higher prices for his products as a result of this legislation.

I am convinced that the equalization fee differs from a tax in that, when a tax is levied, it is taken by government for purposes of government, and the only return given the taxpayer is that which comes to every citizen and taxpayer of the country

alike—the blessings of good government; the equalization fee benefits every producer directly. Because it aids in promoting interstate and foreign commerce, I think there is adequate warrant for it under the commerce clause of the Constitution. There is a broader ground, however, on which to stand. I read from the preamble of the Constitution itself:

We the people of the United States, in order to form a more perfect Union,

Certainly this Union will be more perfect if 30,000,000 of our people, approximately one-third of the entire population, are happy, contented, and prosperous as the other two-thirds are happy and prosperous.

To establish justice.

There is the best reason in the world for passing this legislation—to establish justice to all the people in the country, so that a great part of our population, engaged in a basic industry, will not be forced to sell their products and their commodities for less than the cost of production.

To insure domestic tranquillity.

Mr. President, I say that things in this country are not now tranquil. If anyone in this body believes there is domestic tranquillity throughout the land, I invite him to go out into the agricultural States and make some inquiries. If he does so, he will find misery, woe, and despair throughout the agricultural regions of the country. I continue to read from the Constitution:

To provide for the common defense.

Agriculture, the industry which furnishes the food supply for the country, is the first line of defense, without which no nation can survive.

The PRESIDING OFFICER. The Senator from Indiana will suspend while the Chair states the unanimous-consent agreement, which is:

That after the hour of 3 o'clock p. m., on the calendar day of Thursday, February 10, 1927, no Senator shall speak more than once or longer than 15 minutes upon the bill or upon any amendment offered thereto.

The Senator from Indiana will proceed.

Mr. ROBINSON of Indiana (reading)—

Promote the general welfare.

Why, Mr. President, that statement alone in the preamble of the Constitution has been the basis of decision after decision by the Supreme Court of the United States of America—and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

Mr. President, I yield to no one in my reverence for the Constitution of the fathers. I believe in it with my whole heart and soul. It not only prescribes our form of Government, but it stands always between the citizen and possible tyranny. I believe the Constitution should be obeyed by everybody and enforced, as should all the laws under it—not some of the laws, but all of the laws. But the Constitution has adapted itself admirably in the past to the needs of a great Republic. I can not lose sight of the fact, Mr. President, if I may paraphrase a statement from exalted authority, that the Constitution was made for the people, not the people for the Constitution. There are some here apparently who go the other way around. On every occasion when the farm question is mentioned there are those who say, "Oh, it is unconstitutional; it violates this clause and that clause of the Constitution." They seek refinements in supertechnical objections and somehow or other spend an enormous amount of time and energy in discussing the difference between tweedle dee and tweedle dum.

But Nero fiddled while Rome burned. Here is the Republic that needs relief, not only the farm section, but the entire country which is dependent upon the farm. There are those here who would split hairs on certain features of the Constitution and let agriculture die with the dire result that would inevitably follow its death. What a calamity it would have been for the country if some of these constitutional lawyers had sat on the Supreme Court of the United States in place of the mighty John Marshall. Do they not know that the Supreme Court has held time and again that the Constitution is broad enough to perpetuate the Nation? Do they not know that America could never succeed without agriculture? In my judgment there is ample constitutional warrant for this legislation under the commerce clause, and no sound argument has been advanced to negative this view.

Years ago in England there was a flourishing agriculture, but it was deliberately suppressed. They wanted to industrialize the British Isles and agriculture was assassinated. The Parliament and the people there accomplished their purpose, and to-day there is much pasture land but no agriculture. The result is that England is not self-supporting. She imports practically her entire food supply; and what is the result? The result is that England must spend billions and billions of dollars to keep her navy large enough to safeguard the channels of communication for that food supply.

Mr. President, at the rate we are going in this country, in a few years agriculture will be a thing of the past, as it is to-day in England. Then we would be forced to import our food supply as does England. But there is this great difference. England imports her food from a friendly empire. The United States would be forced to import her entire food supply from an unfriendly world. Then we would be forced to pay billions and billions of dollars for the construction and maintenance of a naval force sufficiently large to see that the channels for our food supply were kept open, even if an unfriendly world were willing to sell to us. So our national security is involved; our sovereignty, our very independence is involved. It would be the colossal crime of civilization to allow agriculture to die in the United States.

The pending measure, in my judgment, will bring relief if enacted into law. It will not, of course, be perfect, but we will have inaugurated a great national farm policy which can be improved and amended as the years go by. I hope, therefore, that the bill may be enacted into law, to the ultimate end that agriculture in America may live and prosper.

Mr. MAYFIELD. Mr. President, along with my distinguished colleague I have the honor of representing in this body the greatest agricultural State in the Union. Texas produces in commercial quantities all the products named in the McNary-Haugen bill as basic agricultural products—wheat, cotton, corn, rice, and hogs. The farmers of my State therefore will be more directly affected by all operations under the bill than the farmers of any other State.

Not only are our farmers interested in this legislation, but our business men as well; for, while Texas industries are developing rapidly, much of the commerce of the State is based upon agriculture; and anything that injuriously affects our agriculture necessarily reacts harmfully upon the business interests of the State. The farmers and business men of Texas have been studying this legislation, especially with reference to its effect upon the prices of cotton, wheat, and rice, which are three of our great staple crops. In the past the prices of these crops have fluctuated up and down, without rhyme or reason, bringing ruin and disaster to all classes of our people. The speculators and the manipulators have exerted more influence in determining the price of these crops than the farmers who produced them. I know of no particular agricultural class in my State that is enjoying prosperity. Since September last 75 banks in Texas have failed and many more are in a dangerous condition—due almost altogether to the low price of cotton, brought about by overproduction.

We are cursed in the South to-day because last year we produced 3,000,000 bales too much cotton. It seems, sir, that the only way our farmers can be prosperous is for the remainder of the country to live on the bread line. In other words, agriculture is cursed in plenty and blessed in semi-famine, and the farmers' only hope for an existence is not to make good crops but poor ones. Verily, verily, the more our farmers make the less they have. If our farmers are cursed when God gives them sunshine and rain, that enables them to produce bountifully, and are blessed in droughts and semi-famine, why should the Government through the Department of Agriculture teach them to increase production, at an annual expense to the taxpayers of the United States of over \$140,000,000?

If the Government wills to leave the farmers to the tender mercies of what we call "the law of supply and demand," which does not cover the needs of the world for more than one year at a time, surely it ought not to encourage production, but should permit the farmers' ills to find a cure in the pitiless law of decay. In my judgment, Mr. President, the Government commits a wrong against the farmers by encouraging them to a greater production and then, when through favorable seasons they produce a surplus, it leaves them without the machinery by which at least a moderate surplus can be carried forward until it is consumed.

The present distress in the South is so extreme that many people are beginning to believe that agriculture as now constituted is in a measure doomed as a commercial factor in our

economic life unless some machinery can be made available that will take care of the temporary surpluses, following years of plenty, and which will bring about acreage reduction until supply is balanced with demand.

At this time the price of all our crops in the South is below the cost of production, and many thousands of industrious and hard-working farmers are losing their farms and sacrificing the savings of a lifetime of hard work and self-denial. Untold thousands are holding on by denying their families the comforts and opportunities of life to which they are so richly entitled. In like manner our bankers and merchants and other business men find themselves in serious difficulty because of the reduced buying and debt-paying ability of their farmer customers.

And why? Simply because nature was kind to growing crops and brought forth a yield not greater than the world needs but greater than the world can consume this year. If we had the same production of cotton per acre last year as the 10-year average of 1917-1926, the crop would have been 15,554,000 bales and cotton would have brought at least 16 cents a pound. If we had raised the same lint cotton per acre last year as in 1921, we would have raised only 13,000,000 bales, and cotton would have been worth around 23 cents a pound.

While we have frequently produced more cotton in one year than the world can consume in one year, yet we have never produced, over a period of years, more than the world needs. The "carry over" from year to year is not a true surplus; it is merely the temporarily unneeded part of the crop which will be needed to supply a deficiency in the years of small production.

It is apparent that the one thing needed is to find a way to take temporary surpluses off the market and carry them until needed. That is the aim of the McNary-Haugen bill, so far as cotton is concerned. Under this bill the Federal farm board will make provision for removing from the market the temporarily unneeded surplus of cotton and carry it until the world needs it. The cost will be assessed ratably against all cotton produced that year.

We have tried to handle occasional surpluses of cotton by unorganized mass effort, but we have failed. We tried last fall to organize finance corporations throughout the South to loan money to those who would hold 4,000,000 bales off the market, but the plan did not work, because the whole cost and risk of stabilizing the market would have been borne relatively by the few holders, while the benefits would have been enjoyed by all. The cotton cooperatives have tried to stabilize prices, but they have not been big and strong enough to do the job, and they are not supporting this legislation.

What is true of cotton is also true of wheat and rice, with the added difference that the world price of these two crops makes the home price. If Canada, Argentina, or Russia makes a big crop of wheat, the price in the United States drops below the cost of production and our farmers are driven into bankruptcy through no fault of their own. This means that the living standard of American wheat farmers is in competition with the lower living standards and lower labor and other production costs of foreign farmers.

The aim of the McNary-Haugen bill is to maintain a price for American wheat and rice in keeping with American standards of living, by segregating the surplus, and by preventing a small surplus from depressing the price of the whole crop below the cost of production—again distributing the cost ratably to all the crop.

We believe the McNary-Haugen bill as now written, if enacted into law, will restore to agriculture a measure of equality of opportunity. If it will give to the farmers a purchasing power, which they do not now enjoy, by not permitting their surpluses to destroy them, certainly they will be more than willing to pay the small cost that may be incurred in the attempt to aid them. If the McNary-Haugen bill had been the law last September, the board undoubtedly would have retired a sufficient volume of surplus cotton to have removed the pressure upon the market, and cotton would probably not have sold below 16 cents per pound, and the farmers and business men of the South would not be in the terrible financial distress in which they find themselves. The psychological features of the McNary-Haugen bill will constitute a large per cent of its effectiveness. Under this measure the board can remove the surpluses from the market, which will cause the purchasers of farm products to realize that they can no longer steal them from the farmers, and this fact alone will have a tendency to cause the purchasers to pay more for farm products rather than have the surplus taken control of by the agency of the Government. In the present emergency of cotton the board undoubtedly would be compelled to remove the surplus on account

of it being so large; but in the case of an ordinary surplus it is doubtful if the board would ever be compelled to assert its power by assessing an equalization fee.

Mr. President, I believe the time has come for the Government to give some real, substantial aid to agriculture and to restore it to a remunerative basis. Our whole scheme of legislation takes care of every industry and every class of labor except the farmer; but in this case we are told, "There is nothing that can be done." Relief, Mr. President, can be given to the farmers of the Nation, and the only reason it has not been done is the indifference on the part of those who represent the agricultural sections of the Nation in the American Congress. The Government has dealt generously with industry, commerce, and labor, and has used its great powers to stabilize those industries. The bankers could not stabilize their business and the Government had to step in and help them with the Federal reserve act. To-day we have the greatest financial system in the world and banking is made safe by reason of the enactment of the Federal reserve act. The railroads could not stabilize their business, and the Government came forward and did it for them with a long series of legislative acts. To-day the railroads are enjoying the greatest prosperity in their history by reason of the Esch-Cummins Act of 1920. Labor could not stabilize itself, and the Government rendered the necessary assistance by enacting the Adamson law and the laws restricting immigration, and by reason of these laws labor is prosperous, as it should be. So, Mr. President, why should not the Government now come to the aid of the farmers and assist them in stabilizing agriculture, which is the greatest and most important of all our industries?

The farmers, Mr. President, are not asking or receiving in the McNary-Haugen bill as much as the Government has freely given to other industries. This bill is not a subsidy because the cost of stabilizing farm crops is to be paid by those crops without recourse to the Treasury. It does not put the Government in business because all operations under this bill will be carried on by farmers and their own organizations.

It does not fix prices. It makes possible the segregation and disposal of surpluses, leaving supply and demand evenly balanced, which will insure fair prices in line with cost of production and general business conditions. It does not destroy private business. It merely removes the surplus, leaving the regular supply to be dealt with by regular agencies of trade in the regular way. It does not compel farmers to join cooperatives or sell their crops to a Government board. Under its operations, farmers who are members of cooperatives will continue to sell through them; while farmers who are not members of cooperatives will continue to sell when they please, where they please, and to whom they please. It would bring about orderly marketing with the result that peak prices would not be so high nor depressed prices so low. It would produce, we believe, a moderate level of prices that would cover cost of production and give to the farmers of the country a reasonable profit on their labor and investment.

The VICE PRESIDENT. The time of the Senator from Texas has expired.

Mr. MAYFIELD. Mr. President, I ask unanimous consent to complete my argument, which will take about five minutes. I have been ill and confined to my room for three or four days past.

The VICE PRESIDENT. Is there objection? Without objection, the Senator will proceed for five minutes.

Mr. MAYFIELD. Mr. President, it will not impose any unjust burden on consumers, but will give the farmer a larger share of the consumer's dollar. The opposition to this legislation comes mainly from New England and the big industrial cities of the North and East, and from the speculators in farm products. The line is clearly drawn between these industrial sections and speculative interests and the agricultural sections and the producing classes of the country.

How much cheaper are we buying shirts, overalls, and cotton dresses to-day at retail clothing stores than we bought them a year ago when the farmer was receiving twice as much for his cotton as he received last fall, or two years ago when we received three times as much?

A study of the differences between the retail price of cloth and the price of cotton was made by the Bureau of Agricultural Economics of the Department of Agriculture in November, 1923. It contains much enlightening information, and I regret that it has never been published. Among its valuable charts are four showing graphically the division of the consumer's dollar spent for sheeting, gingham, calico, and percale. Of the consumer's dollar spent for gingham in 1922 (when, by the way, the price per pound for cotton ranged nearly double the present price), the cotton grower's portion was 19.8 cents. Retailers and job-

bers took 36.5 cents, or nearly double as much as the cotton farmer received, while manufacturers, cotton dealers, and the railroads got the rest.

The cotton growers' portion of the consumer's dollar spent for gingham was 15.1 cents—less than one-sixth. Manufacturers, dealers, and so forth, took 53.4 cents. Jobbers and retailers took 28.1 cents—again twice what the cotton farmer received. The growers' portion of the dollar spent for calico was 20.4 cents; or percale, 20.1 cents.

In the case of gingham, where the cotton grower received only 15 cents out of the consumer's dollar, an increase to the farmer of 50 per cent in price, which would bring it up somewhere near the cost of production, would mean only an increase of 7½ per cent in the price of the goods to the consumer. With other cotton goods, it would mean 10 per cent or less.

The same wide disparity exists between the farm price of wheat, rice, tobacco, and other farm products and the price the consumer pays. On page 764 of the Department of Agriculture Yearbook for 1925, Table 28 sets forth the estimated price per bushel of wheat received by producers in the United States each month. On page 775, Table 41, there is reported the monthly average retail price of bread per pound in the city of New York.

On August 15, 1923, the average farm price for wheat in the United States was 86.4 cents per bushel—the lowest price paid in 1922, 1923, 1924, or 1925. On that same day the average price of bread at retail in New York City was 9.6 cents per pound. Eighteen months later wheat sold on February 15, 1925, at an average farm price to the producer of \$1.098—practically \$1.70 per bushel. This was almost double the price of wheat on August 15, 1925—86.4 cents. Yet, on the same day, February 15, 1925, the price of bread at retail in New York City averaged 9.6 cents per pound, or exactly the same as before.

During 1922 the New York bread price averaged 9.5 cents per pound; in 1923, 9.6 cents; in 1924, 9.5 cents; and in 1925, 9.6 cents. Bear in mind during those years wheat had a range of practically 100 per cent in price, but the only way the consumer in New York knew of it was to read of it in the papers.

The eloquent and comprehensive summary of the agricultural outlook from a book entitled, "Rural Life at the Crossroads," by Dr. Macy Campbell, is worthy of our best thought and study. Doctor Campbell says:

Every thinking person knows that an intelligent, productive people on the land is very much to be desired in America; that a prosperous people on the land strengthens the entire fabric of national life; that prosperity on the land transmits prosperity to all the people; and that unless the farm people of America remain intelligent, productive, and prosperous the Nation can not permanently prosper. Ultimately we all go up with the farmer or we all go down with him.

America was extremely fortunate that in the beginning her virgin farm lands were settled by an unusually competent people. In the early years of our history these farm people gave an excellent account of themselves. Now, a change is coming on. A reversal of conditions is under way. So marked is this reversal that the thoughtful are beginning to ask: "Is there to be a farm peasantry in America? Are American farmers to go the way that the farmers of the Old World have gone?"

With rural life bled white by increasing landlordism, increasing farm mortgages, excess taxes on farm property, and the depreciated buying power of the farm, what will the outcome be? With the industry most vital to the support of our population decaying, how are our cities to fare in the future? This outlook is not a pleasant one. It now challenges every thoughtful American.

Let us hope, Mr. President, that the farm-relief legislation which this session of the Congress is going to enact will be an answer to this challenge.

Mr. MOSES. Mr. President, inasmuch as I shall not be able to be present to-morrow to vote in person against the pending measure, and wishing to express my opinion about it, I offer the amendment which I send to the desk and which I ask may be read.

The VICE PRESIDENT. The clerk will read as requested.

The CHIEF CLERK. On page 7, line 25, after the word "rice," it is proposed to insert the words "hay, apples, potatoes, all dairy products"; on page 8, line 9, after the word "rice," to insert the words "hay, apples, potatoes, all dairy products"; and on page 8, line 11, after the word "rice," to insert the words "hay, apples, potatoes, all dairy products."

Mr. MOSES. Mr. President, I have no illusions with reference to the McNary-Haugen-Dawes-Lowden-Watson-Stamp agricultural relief bill. I know perfectly well that the logrolling combination which has been effected in this Chamber to force the passage of the measure can not be impeded by any amend-

ment such as I have offered, and such as are designed to make the measure a genuine agricultural relief bill.

I regret the absence from the Chamber of the junior Senator from California [Mr. SHORTHIDGE] at the moment of offering my amendment, because, having confided to him my purpose to ask for this change in the phraseology of this numerously parented measure, the junior Senator from California asked me if I would accept an amendment to my amendment adding the words "artichokes, onions, and beans."

Mr. President, artichokes and beans I should gladly accept as an amendment, the latter particularly because of the section of the country from which I take my origin.

Mr. CARAWAY. Mr. President, will the Senator yield to me?

Mr. MOSES. I can not, because of the lack of time. Onions, however, I believe should stand upon their own strength; but I should have been glad to accept the suggestion of the junior Senator from California, because accepting it would be exactly in line with the manner in which this bill has been framed and brought to us for voting.

Any commodity which promises any number of votes, however scanty, in support of the measure can get itself inserted into the bill. I am speaking, Mr. President, for those farmers who live north of the Ohio and east of the Mississippi River, who are not inconsiderable in number, whose hardships are quite as great as those which have been pictured to us as arising in other sections of the country, and who are quite as much entitled to relief such as this bill purposes to bring.

I have listened with some interest and more amazement to the type of argument which has been advanced here in behalf of the measure. I have been particularly struck within the last few minutes by the eloquence of the junior Senator from Indiana [Mr. ROBINSON], who, making a speech of his own, inquired substantially in the language of the late Congressman Tim Campbell of New York, "What's the Constitution become friends?" I have been struck still more by the remarks which were offered here this morning by the junior Senator from North Dakota [Mr. NYE]; and I could not help instituting some comparisons, which I trust are not odious, and which I hope will not infringe the rule of the Senate which prevents a Senator from making any remarks invidious to a State of the Union or to a Senator.

I listened to the statistics, appalling in their purpose but ineffective, as it seems to me, presented by the Senator from North Dakota; and I was prompted to go to some works of reference which may be found in the lobby, and from one of which—the Statesman's Year-Book—I learned this:

That the State of New Hampshire has in round numbers 443,000 inhabitants; that the State of North Dakota has in round numbers 646,000 inhabitants.

That the taxable inventory of the State of New Hampshire is \$495,000,000; that the taxable inventory of the State of North Dakota is \$1,332,000,000.

That according to the report of the Commissioner of Internal Revenue the State of New Hampshire, with its 443,000 inhabitants, pays in round numbers \$3,000,000 in income taxes, while the State of North Dakota, with its 646,000 people, pays only \$778,000—New Hampshire paying \$7 per capita, as against a little more than \$2 per capita for the State of North Dakota.

The farmers in New Hampshire, according to the statistical abstract of the census, number 27,000. The farmers in North Dakota number 74,000. Yet, Mr. President, this measure, designed for the benefit of a few people in a narrow section of the country, intends to take from the \$7 per capita paid by the farmers of New Hampshire a sum of money which can not now be measured, admittedly \$250,000,000 in the aggregate for the first year, to give it to the farmers of North Dakota, who pay only \$2 per capita in Federal taxes.

Mr. President, it is against that feature of the measure that I particularly cry out. I do not dwell upon the economic aspects of the problem, which have been so ably presented by the Senator from Ohio [Mr. FESS]; but, no matter how ingenious the form of words in which a measure like this is framed, no matter how complicated the machinery which it attempts to set up, its purpose is to take money out of the Federal Treasury to give it to a favored class of people.

In the course of the discussion which took place when this bill was here in the last session of this Congress, Mr. President, we had a great variety of measures offered, all of them, however, in their essence going to what I have just said to be the purpose of this bill; namely, to take the money of some taxpayers and give it to some other taxpayers. Out of the whole welter of legislation presented here at that time there was but one measure which bore the marks of intellectual honesty. That was the measure presented by the Senator from South

Dakota [Mr. NORRICK], who proposed in plain terms that whenever anyone should export a bushel of wheat he should receive 42 cents in cash out of the Federal Treasury; whenever he exported a bushel of corn he should receive 15 cents in cash out of the Federal Treasury.

I took occasion then to congratulate our associate from South Dakota upon his intellectual integrity; but I pointed out to him that if that measure ever became a law we in New England would go to raising wheat and would go to raising corn, which we would export from the port of Boston, where the freight rates are negligible, and have the two Dakotas skinned four city blocks, and get all the money in the Federal Treasury for ourselves.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. MOSES. I can not, under the limitation of time.

The VICE PRESIDENT. The Senator declines to yield.

Mr. MOSES. Mr. President, no matter how plausibly this measure may be argued—whether the argument be brought by a distinguished economist from across the sea and read here to us without sufficient explanation or whether it be brought to us from some of the numerous and highly paid economists who throng the Halls of Congress advocating this bill—no matter in what form the argument comes to us, it can not be stripped of the measure of its essential defects, namely, that it is sectional in character; that it applies to but few commodities; that it is being advanced here by logrolling methods unworthy of the Senate of the United States; that it can not be applied in any effective manner; and that, if we enact it, we shall find that we have handed the farmers of this country a lemon.

Mr. McLEAN. Mr. President, I can agree with the gentleman who insist that the farm is fundamental to our prosperity. Indeed, the farm is the kingpin of the coach in which we are all traveling. Lose it and the procession stops. But farms are composed of land, and land is not easily lost. Consequently we may confidently expect that the farmer will be with us in full force as long as he and the rest of us must eat to live, and the rest of us will go hungry first.

The greatest danger that overhangs the western farmer to-day is his ballot. This may be equally true of all of us, but it is the western farmer who is threatening to cross the deadline just now. In the early seventies and nineties the ballot of the southern and western farmer would have brought disaster to him and his country had it been in the majority. He realizes to-day that he was wrong then. He was just as certain that he was right then as he is certain that he is right now, and he is just as wrong now as he was then, in my opinion. Very briefly, I want to put into the Record my reasons for holding this opinion.

This bill is a price raising bill. If it were not nobody would want it. The manager of the bill tells us that all he wants and all the bill proposes is to change a buyer's market to a seller's market. He tells us that the supply of wheat to-day exceeds the demand. He simply wants to change this condition into one in which the demand for wheat will exceed the supply. He tells us that all this bill does is to remove the surplus. Having done that, outside economic pressure, the natural law of supply and demand, will raise the price of wheat, leaving his bill blameless in the premises.

Mr. President, by the same logic a man could drown his mother-in-law, if he were so inclined, without legal or moral responsibility. He would hold the dear woman's head under water for a couple of minutes, and the outside economic pressure, composed of a shortage of oxygen on the one hand and an excess of hydrogen on the other, would alone be responsible for the lady's removal.

The claim that this is not a price-raising bill is absurd. It is, in fact, its only purpose.

The chairman of the committee tells us that the farmers of the country have finally reached the conclusion that debits are not credits and mortgages are not markets, a view that I have held since I was old enough to spend money. We are now told that Congress, having killed the farmer with kindness at the behest of his political advisers, must now resuscitate him with funds from the public purse. The farmer must have a profitable market, and this market must be bought and paid for with loans from the Federal Treasury. The farmers do not want any more loans in small amounts at 6 per cent. They want to take \$250,000,000 out of the Federal Treasury to prime the pump, and they do not want to pay more than 4 per cent interest. So we have not only a price raising bill, but a bill which proposes to use public funds for the purpose of establishing a monopoly in foodstuffs that has not been equaled since Thales of Miletus cornered olive oil.

We are told that certain well-known economists pronounce it a sound program. This is true in so far as the price-raising promises are concerned. Nothing could be sounder. As a

success-promising monopoly it puts to shame the genius of Mr. Rockefeller in his prime, provided the Government will furnish the necessary funds.

The McNary bill will raise prices at once. The mere pendency of this measure has already started the price of wheat on an upward course. The price of wheat and corn and rice and cotton can be raised in 1927 and 1928; then what? The low-cost producer, who will be making good money, will extend his operations, and by 1930 you will have a surplus that can be removed in but one way. The low-cost producer must cut his acreage, or the high-cost producer, the man whose farm will not produce more than 8 or 10 bushels of wheat to the acre, must go out of business. Then our farmer from the less fertile States will wonder who and what hit him. When you smother the man who is making three blades of wheat grow where but one grew before, when you cripple the man who is increasing by scientific methods the purchasing power of the farmer's day's work, you are back of a proposal that flies in the face of every sound economic principle and every other principle that has brought us thus far on the road to plenty.

It is claimed that this bill is not class legislation; another glaring "terminological inexactitude" indulged in by its sponsors. It directly and severely penalizes the dairy class, the poultry class, the fruit and vegetable classes, the cattle and sheep classes, and many other classes of agriculturists. The very fact that the bill provides that the producers of other products may be heard and a report made to Congress is a plain confession that it is class legislation.

The proponents of the bill insist that the equalization fee will pay the interest on the loan. This might be true for a year or two if it could be collected, but above and beyond the fact that Congress has no constitutional right to impose it, the practical difficulties in the way of its collection will be insurmountable, in my opinion, and if persisted in will cause disturbances little short of civil war in the localities where it is tried. I can see no other result.

There is no provision in this bill that attempts to take care of an imported surplus. If you raise the price of one of these products to a point that will show a profit to the high-cost producer, importations will be profitable. Then you will have to raise the tariff on this product much higher than it is now to keep out importations. This will be true of corn, and as for cotton, which carries no tariff to-day, if you put the price where the high-cost producer can make a sure profit you will greatly stimulate the production of oriental cotton, and the tariff-for-revenue-only gentlemen on the other side of this Chamber will find themselves without an issue.

Mr. President, it is true that the farmers are not getting their share of the national income, and this is just as true of the milk and poultry and hay and fruit and vegetable producers as it is of the wheat and corn growers. The farmers in my own county in Connecticut are as much in need of higher prices for their products as are the wheat and hog growers of the West. In the 50's and 60's the farmers of New England had to quit raising grains and meats for market because of western competition. Mr. Gladstone, in his memorable address prepared for the especial comfort of the farmers of England, pointed to the distressed condition of the eastern farmers in the United States as quite as serious as that which existed in England, and he made it clear that it was due to the competition of the great and fertile States of the West. But the eastern farmer, the New England farmer, with his stony hillside farm, knew that unless he could save himself he could not be saved, and to his everlasting credit he is of that same opinion to-day. And he can not understand why the men who possess the great, fertile, stoneless, easily-cultivated acres of the West can not live without help from the public funds.

More than thirty billions of water dollars were pumped into the value of American farms during the war, but very little of this inflation will be found in the East. The average price of farm land in New England that had no value for other purposes rose but little during the war. The man who speculated in farms and farm products in the West from 1914 to 1920 is now suffering the consequences. He produced a situation where a fair return upon the capital expenditure, if the farm was purchased or mortgaged for expansion purposes during the war, is very difficult, and the question arises, Is the Government warranted in using public funds for the purpose of enabling the owners of these farms to make money on their overcapitalized industry?

When we put the head of the camel of paternalism into the tent of private enterprise, not for the purpose of limiting profits but for the purpose of destroying competition in the production of certain classes of agricultural products, when we ask the Government to finance a scheme that is nothing short of a gigantic combination in restraint of trade in foodstuffs, what be-

comes of the clamor against monopolies that compelled the enactment of the Sherman Act? We have already taken the farmers out from under the ban of this act and given them the right to conspire and combine to push the price of their products as high as the trade would bear. Does this drive for the enactment of this law on the part of our progressive friends mean that monopoly is obnoxious only when indulged in by the stranger within their gates? A few weeks ago the same men who are now standing shoulder to shoulder in defense of this plan to corner the wheat market were denouncing the bakers of Washington because of an alleged combination to peg the price of bread. I have heard the oil refiners and the packers and the sugar refiners and the steel men and the bakers and the candlestick makers denounced as the destroyers of the Republic by the very men who are now declaring that a combination to restrain trade in foods is a highly commendable proceeding, so commendable that the Government should provide funds for carrying it into effect. If this plan should work and supplies should be cut below demand and prices should rise accordingly, as they always do when a shortage of food is threatened, do my progressive friends think that the 70 per cent who do not produce foods would submit to such a proceeding?

Mr. President, we know what has happened to us up to date because of our loyalty to the Anglo-Saxon gospel of a fair field and no favor. Everything we have to-day that we did not have 500 years ago is due to our faith in the self-reliant man and the law that has preserved his economic liberty. I do not believe the western farmer is so moribund and anemic that he can not support himself. If he is, the Public Treasury will not save him. If there are sections where farmers, by reason of a series of dry seasons or other untoward visitations of nature, are in want, they and their families should be fed and cared for by the Federal Treasury if their sovereign States can not do it; but as long as the farmers' troubles are confined to a surplus of things to eat, it is a comfort to know that he will have three square meals a day whatever may happen to the rest of us.

The farmer's real problem lies in his getting a larger share of the spread between the wholesale and retail prices of his product. Any legitimate assistance that the Government can render in this regard should be forthcoming. This will require organization and cooperation and some money. If this money is to come from the Public Treasury for one class, it should come for all classes, which means the masses, and it must be expended under strict governmental regulation. From seed time to harvest, from harvest to housewife, Government officials must keep watch and ward. Russia is trying this experiment to-day. I hope I shall not live to see it tried in the United States. It was Thomas Jefferson who said:

When the Government tells the farmer when to sow and when to reap the people will go without bread.

I shall be interested to observe the effect that a surplus of cotton will have upon the votes of the gentlemen who now claim to be the sole proprietors and preservers of the ark of the Jeffersonian covenant.

Mr. SCHALL obtained the floor.

Mr. MOSES. Mr. President, will the Senator from Minnesota yield to me for the purpose of presenting a unanimous-consent agreement?

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Minnesota yield to the Senator from New Hampshire?

Mr. SCHALL. I yield.

The PRESIDING OFFICER. This will not be taken out of the time of the Senator from Minnesota.

POSTAL RATES

Mr. MOSES. I send the proposed agreement to the desk.

The PRESIDING OFFICER. The clerk will read the proposal.

The Chief Clerk read as follows:

It is agreed by unanimous consent that on Monday, February 14, 1927, the Senate shall take a recess not later than 5 o'clock p. m., until 8 o'clock p. m., and that at the evening session, which shall not continue later than 11 o'clock p. m., the Senate shall proceed to the consideration of Calendar No. 1291, H. R. 13446, an act to restore the rate of postage of 1 cent each to private mailing or post cards.

It is further agreed that if the consideration of the foregoing bill is completed prior to 11 o'clock the calendar shall be taken up under Rule VIII.

Mr. MOSES. Mr. President, the objection to the taking up of the postal rate bill for consideration has been voiced principally by the junior Senator from Utah [Mr. KING]. Upon consultation with that Senator to-day, he has acceded to the

unanimous-consent agreement which I have offered, and I understand that the Senator from Kansas [Mr. CURTIS] has also had conversation with other Senators in regard to the matter.

Mr. CURTIS. I spoke to the senior Senator from Arkansas [Mr. ROBINSON] about it, and it is perfectly agreeable to him.

The PRESIDING OFFICER. Is there objection?

Mr. SMOOT. Mr. President, I had hoped that the reorganization bill could be taken up Monday night, but I have the assurance of many Senators that we can make it the unfinished business as soon as the banking bill shall be out of the way.

Mr. WADSWORTH. Mr. President, would that postpone further the war claims bill?

Mr. SMOOT. Yes.

Mr. MOSES. If we can not get evening sessions, either for the consideration of matters regularly on the calendar or before the Senate or for the consideration of urgent legislation, which I consider the postal rate bill to be, we shall find ourselves in hopeless confusion at the end of the session and much important legislation will remain unacted upon.

Mr. CURTIS. Mr. President, it is the intention to ask for evening sessions several times next week and the week following, so that we may get rid of the business on the calendar. Some Senators have refused to make any engagements for next week, so that they may be here to help carry on the business of the Senate and get rid of the bills on the calendar.

Mr. MOSES. That being the case, I think we ought to have the first evening session on Monday for the purpose of disposing of this measure, because, if I may add further, in line with what I said at the time when the bill was reported from the Committee on Post Offices and Post Roads—and in this I am sure the ranking minority member of the committee, the senior Senator from Tennessee [Mr. McKELLAR], will wholly agree with me—this bill must be dealt with very largely in conference, and it will require a good deal of time and much patience and a good deal of study to work out some of the features of the bill in a manner satisfactory to everyone. Therefore the quicker we can get it into conference the quicker we can get the legislation.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. McKELLAR. If he will yield to me a moment, I agree entirely with what the Senator from New Hampshire has said about the necessity of getting this bill to conference at the earliest possible moment. I believe it will take but a very short time on Monday night. I do not think it will be very much in the way of anybody. So far as I know, there is only one Senator who has expressed himself as being actively opposed to the bill, the junior Senator from Utah [Mr. KING], and I think he has stated that he will not take long in discussing it.

Mr. MOSES. He has agreed to this proposal.

Mr. McKELLAR. He has agreed to this arrangement, and I hope the senior Senator from Utah will let us proceed with it on Monday night.

Mr. SMOOT. Mr. President, I will ask that the clerk read the unanimous-consent agreement again.

The PRESIDING OFFICER. The clerk will read as requested.

The Chief Clerk again read the proposed agreement.

Mr. SMOOT. If we proceed with the calendar under Rule VIII, perhaps the first bill to be taken up will be the Copper bill, so called, the truth in fabrics bill. That bill can not be passed during the evening. Why not change the unanimous-consent agreement, so that it will not apply to the calendar under Rule VIII?

Mr. MOSES. Would it be agreeable to have it apply to unobjected bills on the calendar?

Mr. McKELLAR. That would be entirely satisfactory.

Mr. MOSES. That would be entirely satisfactory to me. Senators will remember that we disposed of a great many unobjected bills the other night.

Mr. SMOOT. We nearly completed the calendar, I may say.

Mr. ROBINSON of Arkansas. All unobjected bills on the calendar had their chance at former night session of the Senate. Frankly, the purpose of having an evening session on Monday is to secure the consideration of bills that were objected to, to give them their opportunity for consideration. That is the only way it can be done under the state of the business of the Senate.

Mr. CURTIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Kansas?

Mr. SMOOT. I yield.

Mr. CURTIS. With reference to the bill mentioned by the Senator from Utah, my colleague [Mr. CAPPER], who is in

charge of it, stated the other evening that it would be impossible to get through with it at an evening session, and he did not ask for its consideration.

Mr. SMOOT. He did not ask for the consideration of it at that time.

Mr. CURTIS. He probably would not ask for the consideration of the measure at the next evening session, if it could not be completed.

Mr. SMOOT. It was nearly 11 o'clock when we reached that bill on the calendar at the last evening session.

Mr. SMITH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from South Carolina?

Mr. SMOOT. I yield.

Mr. SMITH. I suggest that we take the balance of the time, if any should be left, for the consideration of unobjected bills on the calendar, for the reason that I presume the bill which we might specify would take up practically all the time in the evening and no other bill of any importance—one which would arouse much discussion—would have any chance of passage. But there are several bills on the calendar which, I am sure, could be passed without objection. That is the reason why I think that Monday evening, being set aside specifically for the purpose for which the Senator from New Hampshire asked, it would leave such a short time afterwards that a few unobjected bills on the calendar might be disposed of.

Mr. SMOOT. I think it is a waste of time to take up the calendar now and go through the whole calendar to consider only unobjected bills, because every bill upon the calendar now, with the exception of, perhaps, two at the end of the calendar, has already been objected to in the Senate. It seems to me that it would be a waste of time to go all through the calendar and have the same bills called and objected to again.

Mr. MOSES. I have no objection to changing the form of the unanimous-consent agreement so as to make it read "for the consideration of unobjected bills on the calendar."

Mr. SMOOT. I would like to have it changed so that we could take up the reorganization bill—

Mr. MOSES. I have no objection to that.

Mr. SMOOT. And discuss that bill during whatever time may remain after disposing of the postal rate bill.

Mr. MOSES. The main thing I am after is to get the postal rate bill under consideration with some degree of continuity, so that, if possible, we may send it to conference.

Mr. SMOOT. I have no objection to that at all.

Mr. MOSES. Beyond that feature of the agreement which I have presented, it is a matter of complete indifference to me what else is provided for at the evening session. If a Senator wants to put in the Boulder Dam bill, I shall not object.

Mr. SMOOT. I would like to have the request modified so as to provide that if there is any time left after the final disposition of the postal rate bill, the reorganization bill shall then be considered until 11 o'clock or during the balance of the evening session.

Mr. JOHNSON. Mr. President, I have no objection to that course, but I do not want to have it made the unfinished business.

Mr. MOSES. Under the proposed unanimous-consent agreement it can not be made the unfinished business.

Mr. JOHNSON. All I want to provide against is that it shall not be made the unfinished business.

Mr. MOSES. It can not be, because if the measure is not disposed of by 11 o'clock it goes back to the calendar and we have to begin de novo.

Mr. JOHNSON. If we have to begin de novo, that is satisfactory to me.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement as modified? The Chair hears none, and it is so ordered.

The unanimous-consent agreement as modified is as follows:

It is agreed by unanimous consent that on Monday, February 14, 1927, the Senate shall take a recess not later than 5 o'clock p. m. until 8 o'clock p. m., and that at the evening session, which shall not continue later than 11 o'clock p. m., the Senate shall proceed to the consideration of Calendar No. 1291, H. R. 13446, an act to restore the rate of postage of 1 cent each to private mailing or post cards.

It is further agreed that if the consideration of the foregoing bill is completed prior to 11 o'clock, the Senate shall proceed to the consideration of the bill (H. R. 10729) to create a bureau of customs and a bureau of prohibition in the Department of the Treasury (Calendar No. 1235).

FARM RELIEF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 4808) to establish a Federal farm

board to aid in the orderly marketing and the control and disposition of the surplus of agricultural commodities.

Mr. SCHALL. Mr. President, I desire to use the services of the clerk to have read at the desk a few observations on the pending measure.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota that his speech be read at the desk? The Chair hears none, and leave is granted.

The Chief Clerk read as follows:

Mr. SCHALL. Mr. President, even the man in the streets of the large cities of this country knows by now of the ruinous depression that the farmers of this Nation have been struggling so valiantly to overcome. Most everyone knows that even after six years of this merciless grinding between relatively low farm prices and relatively high farm wages and consequent high costs of production of farm products that farmers are still at a great disadvantage in profits in comparison with those engaged in other industries.

During this period as many as 3,000 banks located in the towns and cities in farming sections have failed and have been compelled to close their doors and go out of business because of this perilous condition, to say nothing of the thousands and thousands of farms that have been abandoned. Lack of farm prosperity has retarded the prosperity of the country towns and cities affected by the low purchasing power of the farmers. This sad condition still exists in some sections of the country in acute form.

I am a Republican and believe in a reasonable or adequate tariff protection for labor and for those engaged in manufacture. I would not reduce the tariff on manufactured products to the point where it would fatally injure the economic structure which is to-day giving such wonderful prosperity to the people of the industrial and financial centers of our country. The vast farming sections should enjoy prosperity comparable to that now existing in the industrial and the financial sections of the United States, and it can not do this unless some scheme can be put into effect which will give the farmers the benefit of the protective tariff that other industries now enjoy. It seems to me the McNary-Haugen plan will most nearly attain this end.

The emergency tariff act of 1921 and the tariff act of 1922 both recognized the need and importance to the farmers of this country of protecting by tariff duties our farm products from the ruinous and ever-increasing importations from competing foreign countries. The act of 1922 may be called the first regular agricultural tariff act of this country, because of the increased importance given in that act to the duties on agricultural products.

Domestic farm products that were threatened by importation of similar foreign farm products were given the protection then considered necessary to equalize the costs of production of the like or similar articles produced in the United States and in the principal competing foreign country. And under this act literally hundreds of domestic farm products are protected in this great home market of ours.

A number of very important farm products, however, are grown in this country in such abundance that we are forced by our present home consumption to market our surplus of these products in foreign countries. Where a surplus of a product is thus produced and must be sold in foreign markets on a world-price basis, a tariff levied on imports, where there are none, does not give any benefit to domestic producers in the home market.

This in a large measure is the condition in which the domestic producers of corn, cotton, hogs, wheat, rice, and tobacco find themselves. They must sell their products on a world market and are therefore not able to reap the benefit of the domestic protective-tariff policy. The purpose of the present farm relief bill is to take care of this surplus in such a way as to give to the domestic growers of these six products, and others which may in the future be found to be in the same condition, the same benefits, or as near the same benefits as possible, as those that accrue to other growers of the other domestic products of which we do not produce a surplus and which do enjoy the benefits of the protective tariff in the United States market.

The venture is new in the tariff history of the world. It marks an epoch in our agricultural-tariff development.

The plan involved in the bill may not be perfect. It may fall short of the full accomplishment of the purpose intended. It offers a prospective solution of one of this Nation's most trying present problems. It seems to me to be the most acceptable and practicable plan that has been proposed for the solution of the farm problem of this country.

The Government, by the operations of the United States Grain Corporation during the World War, made a profit of

\$70,000,000, after paying salaries from \$50,000 per annum down, which rightfully belonged to the domestic grain growers, because the grain was purchased from them at a price fixed by the Government and was subsequently sold at a profit, the money being turned into the Treasury of the United States. It should not be inequitable to use this money to restore prosperity to the millions of grain producers and to bring plenty and happiness into the farm homes of this country.

The enactment of this bill will add to the prosperity of the farmers of the Nation, and thus to the people as a whole. For it is well known that when the farms are paying well and the farmers are making money the whole country prospers and enjoys a condition of well-being.

The Republican Party wanted and tried in the act of 1922 to accord to agriculture the same advantages of protection in the American market that was accorded to industry, but failed, in actual practice, in the sought-for protection in the case of those crops of which we produce a surplus, which surplus throws the entire crop back into the world markets, thus depriving the farmer of the protected domestic market to which he is clearly entitled and which every other business in the country receives upon its goods or wares up to the margin where the surplus begins.

This is not true with other protected industries because they, through organization, control the output; and if this output exceeds the domestic consumption, the surplus may be then sold on the world's market or they can shut down producing without having reduced the prices secured for the domestic consumption.

The farmer, by the nature of things, can not control his output, owing to acts of God over which he has no control. The farmers equal nearly a third of our population. The remaining two-thirds is divided between thousands of other industries. Each individual industry is so reduced in numbers that they can easily get together for an understanding and cooperation. With the thirty-odd millions of farm population this is impossible. Cooperation and understanding can only reach, at best, a small portion. The effort of this small portion to cooperate and lift the surplus and thus secure the benefit of the tariff for the domestic market only redounds to the benefit of those outside the organization who, while the others are holding their crops to be fed as the demand requires, rush in and satisfy the domestic market, while the cooperatives are left holding the bag.

It at once becomes apparent, if the farmers are to receive the benefit of the tariff in our domestic market, the Government must step in and lift the surplus until the domestic market consumes the remainder of the crop under the law of supply and demand of the world price plus the amount of the tariff. When that price is reached the world supply will begin to pour in over the tariff barrier and thus keep the price of the domestic market equal to the world price plus the amount of protection. This is not price fixing except as to the amount of tariff. The price would be regulated by the old law of supply and demand, giving the farmer only the benefit of the tariff that his Congress has said he should have, and which is only the difference between cost of production in this country and cost of production abroad. This advantage every other industry in the country now has. The farmer, therefore, to-day where he produces a crop that reaches a surplus is selling in the world market and buying in a protected market, thus doubling his disadvantage. The minute a surplus is reached in the farmer's product it affects the whole crop, and because of that surplus immediately puts his price down to the world price and destroys for the farmers the benefit of the tariff.

If the surplus could be lifted from the market until the domestic consumption is satisfied, the farmer would then be on an equal with the manufacturer or other industries who do enjoy the benefit of the tariff. The farmer would then receive the world price plus the protective tariff plus transportation on the domestic consumption and the surplus would either have to be held for the next year, when there might not be so abundant a crop, or sold on the world market at the world price. But he would receive for most of his crop the domestic market price; for instance, if it were wheat, he would sell three-fourths of his crop at the domestic consumption price and the other one-fourth on the world's market, just as now do manufacturers who exceed the home consumption. But the average between three-fourths of his crop sold in the home market and one-fourth in the world market would give him a great advantage over the position he is now in and put him on a parity with the other businesses of the country, to which we think he is entitled, and is not being granted any favor but only given justice.

Using as an illustration wheat, which my State is especially interested in. This country produces on an average yearly considerably over 700,000,000 bushels. Our home market consumes

approximately 600,000,000 bushels. The question is to equalize the amount sold in the domestic market and the surplus that must be sold on the world market; therefore the McNary-Haugen plan has introduced what is known as an equalizing fee, which may be put on or not as the members of the board determine. This board is made up of 12 men, one from each Federal bank district, and the Secretary of Agriculture, who is ex officio a member of the board and chairman of it. The co-operative farmers of each district select four men, who, with the Secretary of Agriculture, present three names to the President from which he must choose one who then becomes a member of the board from his district. Should an equalizing fee be decided upon, I can best illustrate it by assuming that we raise 7 bushels of wheat and consume 6.

The protective tariff on wheat is 42 cents a bushel. This amount of tariff was arrived at through a commission appointed by the President to investigate the difference of the cost of raising a bushel of wheat in Canada and in the United States. Now, 7 goes into 42 six times, which would make an equalizing fee of 6 cents to be placed on each of the 7 bushels, and this amount of 6 cents a bushel would be held out for the purpose of reimbursing the Government for the money advanced. Thus the farmer would receive for the 6 bushels of wheat that were consumed in the domestic market the world price, plus 42 cents, plus transportation, and for the 1 bushel of wheat that would be sold abroad he would receive the world price minus the transportation to Liverpool, which is the center of the world market. Thus can readily be seen the advantage to the farmer, for he is now receiving for all 7 bushels of wheat the world price minus transportation to Liverpool, and he must continue to receive that price so long as he produces a surplus, unless 95 per cent of the wheat farmers could get together in a close corporation, which would be almost impossible on account of their numbers; and it would take an immense campaign with enormous expenditure to so educate them as to get them together in such an immense cooperative organization.

Therefore the Government should step in and do this organizing for them, to the end that they may enjoy the same advantages under our protective system that every other industry in the country now enjoys.

Mr. GILLETT. Mr. President, the farmers of the country have been hard hit since the war. Everyone sympathizes with them. Everyone would be glad to help them, and nearly everyone would vote for any bill, even though it involved a large expense to the Government, if he thought it was constitutional and did not set a vicious and dangerous precedent, and would permanently cure the situation. But this bill, it seems to me, is open to every one of these objections. I believe it is unconstitutional; but that argument seldom avails here, and the court must ultimately determine it. The bill, however, is founded on a vicious principle; it is at best a mere palliative, and should it become a law, would aggravate and intensify the very conditions it aims to alleviate.

The difficulty which is alleged to be at the root of the farmers' present sufferings is the surplus of production. The farmers are producing too much. That surplus has to be sold abroad in competition with producers who, because of cheaper labor and cheaper lands, can undersell us, and therefore the home price is by this competition reduced. If the surplus was small it probably would not produce that effect; but when, as in the case of wheat, we regularly grow a third more than we can consume, that enormous balance hangs over and depresses the market. Therefore the object to be accomplished, and what this bill aims at, is to prevent this surplus from reducing the value of the rest.

Now, the normal method of getting rid of a surplus in all other branches of industry is to discourage production. That results automatically from the fall in price. When men find that an article gluts the market and so can not bring a fair price, some of them, recognizing that it is useless to continue to produce what they can not sell at a profit, turn their activities to something which will be remunerative.

In my section we have seen cycles of overproduction of manufactures, and when any manufacturer finds that the market is so overstocked that he can not dispose of his product, he does not come to the Government for assistance, but he shuts down his mill. To-day in New England there are a large number of mills closed or running on short time because there is a surplus and they can not dispose of their products, and thousands of employees are out of work waiting for a time when the market will absorb the surplus and they can again produce and sell. They ask no aid from the Government when that surplus is manufactured in America. If, as is now asserted to be the case, a large part of it is manufactured abroad and because of the cheaper labor there can pay our tariff and still undersell American products, then they ask, and I believe ought to be

granted, a tariff large enough to equalize this difference of labor costs. But when the competition is in the United States and the surplus is produced here, then they have no remedy except to stop production and wait until the surplus is absorbed. Why should not the same law of supply and demand govern every industry?

The argument which is made for this bill that it aims to render the tariff really protective as to the farmer's product is utterly unsound. A protective tariff is not intended to protect or affect a domestic surplus. All the tariff aims at is to insure the market against the entrance of foreign goods produced by cheaper labor. It applies to agriculture as well as to manufactures. Foreign agricultural products are kept out to-day by our tariff, but when the home supply exceeds the home consumption, no tariff can remedy the condition. The tariff simply intends to provide that the United States shall produce enough to supply its own needs. It aims to make us self-supporting and independent and just as soon as that goal is reached, as soon as the home demand is met, then the tariff ceases to function and it can not protect any domestic surplus which is created beyond our power to consume. To try to make a tariff apply to the present conditions, is an entire misconception both of its purpose and its efficacy.

The law of supply and demand is a cruel one. It compels those who produce beyond demand to abandon their existing labor and turn their efforts into some other channel. But it is in the long run the effective and the natural method of regulating the occupation and the enterprise of the people. The world over men are producing the same things in competition with each other and it is this law which keeps the balance even. It is constantly causing suffering and loss, with the constant rise and fall of market and production. It drives men out of one line of business to which they are accustomed, when that business is overdone, into some other new line. It is more of a hardship for farmers than for wage earners, because they have investments which it seems cruel to lose. But they can generally divert their energies from one line of production to another, from one crop to diversification. It is the one-crop farmers who are the main sufferers to-day.

Many farmers in New England have experienced complete loss. All over our hills are the abandoned farms of which so much has been written, where the owners were driven from their business by the competition of the rich and fertile soil of the West. They could not compete with those more favored farmers, and they finally had utterly to desert their property and turn to new lines of occupation. The process was cruel. It entailed privation and extreme thrift, but while it caused this suffering yet its general result was efficacious and the law of supply and demand drove men into the line of occupation where they could be most useful. One sees to-day all over New England cellar holes and brush lots where were once thriving farms, which the farmers of the West drove out of business.

We hear a great deal of the constant trend from the country to the city, but I do not think that comes simply from the lure of the city. It comes largely from the fact that the farm is already oversupplied, that with the new methods of production supply is greater than demand, and so surplus labor has turned to new lines of production and built up vast cities, like Detroit, to supply an entirely new product whose market was empty.

Everyone wishes the farmer to prosper. We recognize that his wholesome life is apt to produce a healthier and more robust citizen than the tenement house districts of the city. The United States has done what it could to encourage the farm population, and yet the menacing fact to-day is that it is greater than the consumption of the Nation can support.

While I do not wish to minimize the hardships of the farmer, we must not lose sight of the fact that he has also had his good fortune. In the past his profits have been large. He bought his land of the Government at \$1.25 an acre, and he saw it grow steadily and prodigiously in value. We think if we make a profit of 100 per cent in business in the course of years we are extraordinarily fortunate, and yet the western farmers saw their land increase in value a hundred times a hundred per cent. I understand large numbers of the shrewd residents of the great State of Iowa took their profits, sold their lands at high prices, and moved to the delicious climate of southern California, leaving their successors, who bought at the high prices, and the reckless and improvident bankers who loaned the money to them, to "hold the bag" and turn to the Government for relief.

It is said that it is impossible for the farmers to regulate the amount of production, that weather and climate can not be foreseen. That is undoubtedly true. The farmer's success in any one year probably involves more of a gamble than does any other occupation, because it depends on forces which are beyond human control. At the same time, the amount of produc-

tion depends, year in and year out, on the amount of acreage and labor. As long as farmers, knowing that we produce an enormous surplus of wheat which keeps down the price, will continue to raise wheat, they can not expect high prices. It is only by reducing a production which is obviously excessive and turning to some other line that they can permanently remedy the situation. That is what has been done in other lines of business; that is the automatic way the economic forces regulate production and prices.

But this bill, instead of diminishing, will encourage production; it will tend to continue and enlarge the surplus; it will stimulate the farmer to increased crops, when the trouble is the crops are too large already, and so will aggravate and intensify the very disease which it aims to cure.

Mr. WILLIS. Mr. President, I rise to speak very briefly in support of the amendment which has been offered by the Senator from New Hampshire [Mr. MOSES]. This amendment provides, in substance, that certain other important farm products shall come within the provisions of the bill, within the terms of its beneficent operations.

The bill provides, as has been explained by different Senators who have spoken, that an equalization fee shall be collected from the producers or processors or transporters of certain agricultural products that are labeled as basic agricultural products. Those products, as I recall them, are corn, wheat, cotton, swine, and rice. The Senator from New Hampshire [Mr. MOSES] has offered an amendment providing, among other things, that dairy products shall receive the benefits of this bill, whatever those benefits may be.

Mr. President, as a matter of logic, upon what theory can it be said that rice is a basic agricultural product and that dairy products are not basic agricultural products; or upon what theory can it be said that potatoes are not basic agricultural products but that rice is?

If this is a wise provision in this bill, if it is to be a benefit, as is alleged, to the producers of rice, how can we deny the benefits of that legislation to the producers of dairy products or to the producers of potatoes? Here is the able Senator from New York [Mr. WADSWORTH]. Next to Ohio, the best apples to be found anywhere in the country are raised in New York. I hope the Senator agrees to that proposition.

Mr. WADSWORTH. I am incubating a reply.

Mr. WILLIS. Upon what theory of justice shall it be said that the rice that is raised in certain sections of the country is a basic agricultural product but that the fruit products of this country—whether raised in the great State of New York, or in the great State of California, or in the Umpqua Valley, where the greatest and finest prunes in the world are raised—shall be excluded, when everybody knows that the Senate would not be able to have its noonday lunch except for the supply of Umpqua Valley prunes?

Mr. McNARY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Oregon?

Mr. WILLIS. I yield to the Senator.

Mr. McNARY. I assume, perhaps erroneously, that the Senator is speaking seriously. There is nothing in the bill that attempts to say that the list therein stated comprehends all the basic agricultural commodities. They are simply referred to as a term of designation. Of course, apples and prunes and dairy products are basic commodities; but, Mr. President, everyone knows that there is not a surplus of dairy products.

Mr. WILLIS. Is there a surplus of rice?

Mr. McNARY. There is a surplus of rice. The dairy people of this country did not come before the committee seeking to be included; neither did the apple people, nor the prune people; and the commodities that are in the bill are there for the reason that there usually is an exportable surplus, a quantity above domestic requirements. Therefore they are in the bill and are referred to as basic crops, and that is the only reason why they are termed as such.

Mr. WILLIS. Mr. President, that is an exceedingly poor reason expressed in perfectly delightful fashion. Take the case of rice: Of course, it is an absurd thing to say that in this country ordinarily there is an exportable surplus of rice.

Mr. ROBINSON of Arkansas. Mr. President, just a moment. Will the Senator yield at that point?

Mr. WILLIS. I have only 15 minutes, and I have another important theme to discuss, but I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Does the Senator take the position that there is no considerable exportable surplus of rice?

Mr. WILLIS. Generally speaking, I think that is true; yes. Mr. ROBINSON of Arkansas. The Senator is entirely mistaken.

Mr. WILLIS. I thought the Senator would say that.

Mr. ROBINSON of Arkansas. This country for several years has produced an exportable surplus of rice.

Now may I ask the Senator another question?

Mr. WILLIS. Just a moment. As far as that is concerned, there is as much of an exportable surplus of fruit in this country as there is of rice; and yet the fruit growers, who send their products all over the world, are denied any of the beneficent operations of this paternal law, while the rice growers are given that benefit.

Mr. ROBINSON of Arkansas. May I ask the Senator one further question?

Mr. WILLIS. I yield to the Senator, but I hope he will be brief. I have only a few minutes.

Mr. ROBINSON of Arkansas. Yes; I will.

I understand that the Senator is insisting that numerous other commodities in which he expresses an interest should be included in the provisions of the bill.

Mr. WILLIS. If this bill is to pass I certainly think dairy products and potatoes ought to be included, if the bill is a good one.

Mr. ROBINSON of Arkansas. Before the Senator determined whether they should be included or not he would have to determine the question as to whether the bill would be beneficial to these commodities. If the Senator does not think the bill would be beneficial to these commodities and to the dairy interest, potatoes, and so forth, that he is speaking for, why does he insist on including them in the bill?

Mr. WILLIS. The answer to that is very apparent. Of course, I do not think that this bill as drawn would be beneficial in its operation to the corn grower, for example, or to the wheat grower; but if it should chance that I should be mistaken about the matter and this should be a good bill, we certainly ought not to deny its beneficent operations to the growers of fruit.

Mr. ROBINSON of Arkansas. Will the Senator yield for a further question?

Mr. WILLIS. Very briefly.

Mr. ROBINSON of Arkansas. The Senator says that he does not think the bill would be beneficial to any commodity which it is intended shall be dealt in if the bill passes. I ask him again why he insists on including other commodities than those already embraced in the bill if he believes that it will prove harmful to those commodities?

Mr. WILLIS. I answer the Senator again by saying that if it is to be as beneficial in its operations as the Senator from Arkansas thinks, it certainly is unfair to exclude any of these commodities; and if the Senator thinks it is certain to be beneficial, then on what theory should we exclude the agricultural products that I have named?

Mr. ROBINSON of Arkansas. But the Senator—

Mr. WILLIS. If the Senator will pardon me—

Mr. ROBINSON of Arkansas. The Senator refuses to yield?

Mr. WILLIS. No; I do not; if the Senator will make his interruption very brief.

Mr. ROBINSON of Arkansas. The Senator is taking the position—

Mr. WILLIS. Will not the Senator ask a question?

Mr. ROBINSON of Arkansas. I will ask a question.

Mr. WILLIS. I hope the Senator will do it quickly.

Mr. ROBINSON of Arkansas. I shall be brief. The Senator is taking the position that the bill will be harmful. At the same time, he thinks it absurd not to include in the bill commodities in which he is interested and the producers of which he hopes to benefit. I say that when the Senator insists that additional commodities should be embraced in the bill he impliedly admits that he believes that the bill will be helpful to commodities, unless he wants to harm the producers of the commodities he seeks to have embraced in it.

Mr. WILLIS. That logic will work both ways, because the Senator insists that this bill will be beneficial in its operation, and yet he is so hard-hearted as to deny its benefits to the producers of fruits.

Mr. ROBINSON of Arkansas. Mr. President, I call the attention of the Senator to the fact that there is a provision in the bill which, under conditions, permits other commodities to come under it.

Mr. WILLIS. I understand that; I am quite familiar with the bill; but in order to do that there has to be action by Congress, and I am proposing that action now.

Mr. ROBINSON of Arkansas. When the Senator believes that it will be harmful to the industries that are included.

Mr. WILLIS. That is why I am going to oppose the bill; and the Senator—well, I can not tell what is in the Senator's mind. I will ascribe no motive to the Senator.

Mr. ROBINSON of Arkansas. The Senator will do well if he expresses what is in his own mind.

Mr. WILLIS. I think I shall be able to do that all right.

Mr. GOODING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Idaho?

Mr. WILLIS. I have only 15 minutes.

What I wanted to say particularly, Mr. President, related not so especially to this subject as to another, and that is why I grieve because Senators do not permit me to proceed. I desire to say a word about the radio situation in the few minutes that I have remaining.

A situation is developing in the Senate which is of most serious concern to the country. That concern is evidenced by a flood of telegrams that come, I suppose, to every Senator. I have here only two out of a large number that have come to-day. Here is one from the Cleveland (Ohio) Chamber of Commerce:

CLEVELAND, OHIO, February 10, 1927.

HON. FRANK B. WILLIS:

We believe enactment of compromise radio bill, H. R. 9971, of greatest importance to the community and the Nation and urge again your strongest efforts to secure its passage.

HOWARD L. BARKDULL,

Chairman Committee on Legislation,

Cleveland Chamber of Commerce.

Here is another telegram to the same effect from the Crosley Radio Corporation, which I ask to have inserted in the RECORD. The PRESIDING OFFICER. Without objection, it is so ordered.

The telegram is as follows:

CINCINNATI, OHIO, February 10, 1927.

HON. FRANK B. WILLIS,

Senate Office Building:

We have waited long and patiently for adequate radio legislation. We have carefully reviewed the bill passed by the House of Representatives on January 29, and are convinced that it is acceptable to the American public and to the radio industry. Its passage in the Senate is being prevented by extended debate. It is imperative that this bill be passed during the present session. You are urged to take immediate steps to secure an early vote.

POWEL CROSLY, JR.,

President Crosley Radio Corporation.

Mr. WILLIS. Mr. President, certain Senators have heretofore taken the position that unless they can get exactly what they want in this radio bill they therefore intend to prevent the passage of any bill. I appeal to those Senators, in the interest of the people of this country, who by the millions are interested in radio, to permit a vote upon the radio bill. I believe there are enough votes in the Senate to pass the bill; but, at any rate, it seems to me an unfair proposition that we should be compelled to approach the close of the session without any opportunity to vote.

In conclusion I trust that those in charge of the legislation will spare no effort in bringing about a situation whereby the Senate will be permitted to vote on the radio bill.

Mr. WADSWORTH. Mr. President, the colloquy between the Senator from Ohio [Mr. WILLIS] and the Senator from Arkansas [Mr. ROBINSON] accounts for my rising to my feet in order that at least I may make perfectly clear to the Senator from Arkansas what I think of these amendments.

The Senator from Ohio has made a plausible argument for adding to the list of basic agricultural commodities, and cites certain articles which he thinks should be added to the bill. The Senator from New Hampshire [Mr. MOSES] has already offered an amendment to that effect. While the arguments of the Senator from New Hampshire and that of the Senator from Ohio are interesting, I am convinced the greater the number of articles put into this bill the worse for agriculture generally.

I should be better pleased if one article after another were taken out of the bill until it was whittled down to an invisible point; for I verily believe that whenever any Federal board attempts to put into operation the scheme outlined in this bill, that is the end of all contentment in that particular branch of agriculture.

With great hesitation I inject a personal note into my discussion. I am in this farming business myself, and I should hate to have any Federal board manage my business for me. I should hate to have to take my share of the burden that is to be imposed upon the producers if this bill is to become law. I should hate to have to encounter the annoyances, the restrictions, the red tape, and the delay which every producer of wheat, for example, will necessarily encounter if the board

ever puts into operation the provisions of this bill with respect to that crop.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. WADSWORTH. I yield.

Mr. ROBINSON of Arkansas. I think the Senator's position is perfectly logical. Being against the bill, he does not want included in it additional commodities, for the reason that he believes that operations under the bill would injure the prosperity of those producing those commodities. I can understand that; but the mental processes of the Senator from Ohio are incomprehensible.

Mr. WADSWORTH. Mr. President, I must say that the mental processes of some of the people who are supporting this bill are likewise incomprehensible to me. I think if most of them were actively and constantly engaged in the business, they would not support this measure.

I read from page 14:

The board may by regulation require any person engaged in the transportation, processing, or acquisition by sale—

I have not heard explained the meaning of that phrase "acquisition by sale." I had thought that "acquisition" was always achieved by "purchase." How any person can acquire a thing by selling it I have not been informed. He may acquire experience but he will not acquire any of the material things mentioned in the bill by selling them.

The board may by regulation require any person engaged in the transportation, processing, or acquisition by sale of a basic agricultural commodity—

(1) To file returns under oath and to report, in respect of his transportation, processing, or acquisition of such commodity, the amount of equalization fees payable thereon and such other facts as may be necessary for their payment or collection.

Now, let us see if we can visualize something of the organization that must be built up all over the United States under this Federal board if it puts in active operation the provisions of this bill with respect to wheat.

I have no statistics before me from which to quote; but I imagine that there are five or six million wheat producers in the country. Every time any one of them takes all or a portion of his production of wheat to a mill or to a grain commission merchant to be sold, or to any other person or agency or corporation in the country engaged from time to time as a business or only occasionally in the purchase of wheat, that person will have to keep a record of every detail of the transaction.

I assume that the board will have to license purchasers or processors of wheat. It will have to establish a system of inspection of all their books and accounts, and in order to trace back to the producer, and estimate with any degree of accuracy the amount of equalization fee which that producer shall ultimately pay—because in the end it comes out of the producer—a separate account will have to be kept under the supervision of this Federal board with every wheat producer in the United States. Otherwise the loopholes in and the leakages out of this system would be so numerous as to break it down before, indeed, it could start.

I wonder if Senators can visualize the immense machine which it is proposed shall be established all over the country. We shall have an army of inspectors going about and inspecting the books of account of every person engaged in the purchase or processing of wheat. There are tens and tens of thousands of them.

In order to check up and audit those accounts, they will have to trace that wheat to the farm on which it was produced, and prove the accuracy of the production reported, in order to prove the amount of the equalization fee which the producer, in the long run, shall be called upon to pay.

I am wondering if we can get together 12 human beings who would be willing to supervise such a thing. And I am wondering how the producers of wheat will feel about it after one year's experience. I wonder if their reaction will not be similar to the reactions we so often encounter when we endeavor to compel human beings to live their lives under the rigid supervision of a bureaucracy; for of course this bill, if put into effect, will establish the greatest bureaucracy ever known in this country.

I am wondering how a farmer will feel when, having prepared his ground and sowed his seed and then harvested it and threshed it, he takes it to the local mill—where a great deal of the wheat goes—the local flour mill, which exists in the typical village in all wheat-growing States, and there offers it for sale. It is his property. It has been produced on land owned or rented by him. It has been produced with his labor. It is the

fruit of his investment, effort, and intelligence. He takes it to the local mill—

Mr. GOODING. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Idaho?

Mr. WADSWORTH. I yield for a question.

Mr. GOODING. The Senator knows that at the present time the wheat grower is not getting the cost of production.

Mr. WADSWORTH. I am not talking about that. I ask the Senator not to divert me with questions of that sort. I am trying to arrive at some conclusion with respect to the human reaction which will take place.

Mr. GOODING. Mr. President, I will state to the Senator—

Mr. WADSWORTH. I have only 10 minutes.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. WADSWORTH. I yield for the Senator to ask me a question concerning the matter I was then discussing.

Mr. GOODING. I merely wish to say to the Senator that there will not be any trouble about the farmer wanting to get the 32 cents more in his pocket for a bushel of wheat that he will get under this bill. The human interest will be very gratifying to the farmer.

Mr. WADSWORTH. I am very glad to know that we are going to get 32 cents more a bushel when we sell our wheat at the local mill, but I am not going to borrow money on the strength of that 32 cents until I see it and have it in my pocket.

As I started to say when interrupted, this man takes his wheat to the mill, and upon presenting it for sale the miller informs him that he, the miller, is, in a sense, an agent of the Federal Government, licensed to do business and purchase products, and that as such he is not permitted, under the regulations of the board, to pay to the farmer the price which the wheat is supposed to be worth, but must withhold from him a certain portion of the money.

Many a man takes his grain to be sold in a great hurry to get the money. Wheat is proverbially a cash crop. There is an old saying in the farming business that a certain article is "as good as wheat," meaning that it can always be sold as wheat can be sold; that there is always a market for it.

If that farmer is short on credit at the time he takes his wheat to the mill as I have stated, he will meet with a bitter disappointment, and he will go down the road and see if he can find another man to whom he can sell his wheat. He will meet the second man, and that man will say, "I am an agent of the Government. I am licensed to purchase wheat, but I can do it only under rules and regulations and with prices and with drawbacks fixed by the Government."

The farmer then commences to open his eyes. He finds that there is an agency of the Government of the United States which has deprived him of the liberty of running his own business; that it has set up obstacles in his path, which prevent him selling his own product where and when he pleases and at a price he is willing to take.

He will go down the road and look for a third person and again be met with that situation.

My visualization of this may be all wrong. Perhaps I am endeavoring to think out loud as to what I, for one, would do under a set of circumstances of that kind, living, as I do, in a wheat-growing neighborhood and taking part in that kind of business.

Eventually, if I wanted to sell my wheat, I would sell it somewhere, despite the Government. That would represent my reaction, which I think would take place with a great many people; and before long you would find "bootleg" wheat all through the United States. Some one would devise some way of selling or buying wheat contrary to the regulations of this board. There would be and would have to be a constant and desperate effort on the part of a swarm of inspectors, traveling far and wide through 40 States, tracing back millions and millions of individual sales of wheat to their original sources in order to prevent a violation of the bureaucracy's regulations as to how a farmer should conduct his own business.

We talk glibly here as to how we can regulate a man's life by law in such fashion as to make him conform to a standard. We have tried it in a good many ways, and it has been tried in other countries, and never does it succeed when it reaches down into his daily avocations and affects his method of earning his living. For anyone to say that a farmer who has not been consulted, who has no vote in the matter, who is not a member of a cooperative, who has never been taken into the confidence of these 12 archangels who will sit on this Federal board, endowed, I suppose, with superhuman power and intelligence—for anyone to say that that man will submit willingly to having the Government take the management of his business, small though it may be, out of his hands—well, the person who thinks

that such a thing can be done is merely another added to the long list of those who in this and every other country have tried to put a straitjacket upon their fellows and failed dismally in the attempt.

We can dangle before farmers a further increase in prices; the Senator from Idaho has just said, "32 cents a bushel will be added to the price of every bushel of wheat sold in the United States." How does he know it? Who told him so? How can he tell how many bushels of wheat will be raised in this country next year? Not a living man can tell. By August 1 of next year, when most of the wheat crop will have been harvested, you will not be able to find two wheat experts in the United States who will agree on that day as to how much we have raised over and above our power to consume.

The thing I dread in this proposition in addition to the constitutional objections which have been mentioned, and the thing that appalls me most, is that it represents another attempt to take out of the hands of men the right to conduct their own businesses in their own way; and if I had my say about it, as a man engaged in these businesses as a serious undertaking, I would vote to take out of this bill every farm product which I raise and say, "Let me alone!"

I do not want a Government clerk, or a Government inspector, or a Government auditor, or a member of this board telling me when, where, and how I shall sell something that I have produced on my land.

Mr. WARREN. Mr. President, may I ask the Senator from Oregon whether he cares to proceed further with the bill under his charge at this time? I desire to call up the legislative appropriation bill.

Mr. McNARY. May I ask the Senator from Kansas whether he desires at this time that the Senator from Wyoming shall go forward with his appropriation bill?

Mr. CURTIS. I would like to have the legislative appropriation bill taken up. There are only a few amendments to be made, and they are immaterial; there will be no contest over them at all. I would like to have the Senator temporarily lay aside the farm relief measure.

Mr. McNARY. I ask unanimous consent that the unfinished business may be temporarily laid aside.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

LEGISLATIVE APPROPRIATIONS

Mr. WARREN. I ask that the legislative appropriation bill be laid before the Senate and proceeded with.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 16863) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1928, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. WARREN. I ask that the formal reading of the bill be dispensed with, and that the bill be read for amendment, the committee amendments to be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will proceed to read the bill.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, on page 3, line 4, in the item for the office of the Secretary of the Senate, after the figures "\$2,150," to strike out "assistant messenger" and insert "assistant in library," so as to read:

Assistant in library, \$1,520.

The amendment was agreed to.

The next amendment was, under the subhead "Committee employees," on page 3, line 15, after the figures "\$3,300," to insert "assistant clerk, in lieu of employee heretofore paid under Senate resolution, \$2,500," so as to read:

Clerks and messengers to the following committees: Agriculture and Forestry—clerk, \$3,300; assistant clerk, in lieu of employee heretofore paid under Senate resolution, \$2,500; assistant clerk, \$2,150; assistant clerk, \$1,830; additional clerk, \$1,520.

The amendment was agreed to.

The next amendment was, on page 4, line 7, after the figures "\$3,300," to insert "resident assistant clerk, in lieu of employees heretofore paid under Senate resolution, \$2,500," so as to read:

District of Columbia—clerk, \$3,300; resident assistant clerk, in lieu of employee heretofore paid under Senate resolution, \$2,500; assistant clerk, \$2,480; assistant clerk, \$1,830; additional clerk, \$1,520.

The amendment was agreed to.

The next amendment was, on page 5, line 6, after the figures "\$3,300," to insert "assistant clerk, in lieu of employee heretofore paid under Senate resolution, \$2,500," so as to read:

Interstate Commerce—clerk, \$3,300; assistant clerk, in lieu of employee heretofore paid under Senate resolution, \$2,500; two assistant clerks, at \$2,150 each; assistant clerk, \$1,830.

The amendment was agreed to.

The next amendment was, on page 6, at the end of line 21, to change the total appropriation for committee employees from \$373,440 to \$380,940.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Sergeant at Arms and Doorkeeper," on page 7, line 15, after the word "each," to strike out "38" and insert "37," so as to read:

Messengers—five (acting as assistant doorkeepers, including one for minority) at \$2,150 each, 37 (including one for minority) at \$1,770 each, one \$1,310, one at card door, \$2,400.

The amendment was agreed to.

The next amendment was, on page 7, line 20, after the figures "\$3,600" to insert "clerk, \$2,140," so as to read:

Deputy Sergeant at Arms and Storkeeper, \$3,600; clerk, \$2,140; stenographer in charge of furniture accounts and records, \$1,520;

The amendment was agreed to.

The next amendment was, on page 8, at the end of line 11, to change the total appropriation for the Office of the Sergeant at Arms and Doorkeeper, from \$211,033.70 to \$211,373.70.

The amendment was agreed to.

The next amendment was, under the heading "Office of Legislative Counsel," on page 22, after line 4, to strike out: "For salaries and expenses of maintenance of the office of legislative counsel, as authorized by section 1303 of the revenue act of 1918 as amended by section 1101 of the revenue act of 1924, \$75,000, of which \$37,500 shall be disbursed by the Secretary of the Senate and \$37,500 by the Clerk of the House of Representatives," and in lieu thereof to insert:

For salaries and expenses of maintenance of the office of legislative counsel, as authorized by section 1303 of the revenue act of 1918 as amended by section 1101 of the revenue act of 1924, \$50,000, of which \$25,000 shall be disbursed by the Secretary of the Senate and \$25,000 by the Clerk of the House of Representatives. The unexpended balances of such appropriation for the fiscal year 1927 are reappropriated and made available for the fiscal year 1928.

Mr. WADSWORTH. Mr. President, does this amendment limit the amount that can be spent to \$50,000?

Mr. WARREN. Fifty thousand dollars, and whatever is left in the way of an unexpended balance.

Mr. SMOOT. In the language we have proposed as an amendment we have included the unexpended balance for the fiscal year 1927, and appropriated for the coming year \$50,000.

Mr. WADSWORTH. What will be the total available for the coming year?

Mr. WARREN. Fifty thousand dollars, and what is left over, unexpended.

Mr. SMOOT. They can use the \$50,000, and whatever unexpended balance there is, and it is quite a sum, and then next year, whatever increased amount is necessary will be given in the original appropriation.

Mr. WADSWORTH. I assume it is the disposition of the Committee on Appropriations to give every encouragement possible to the legislative counsel. My information is to the effect that the legislative counsel is having a good deal of difficulty in getting young men to go into that service and stay there and perfect themselves in that highly technical work, which is of such immense benefit to the Senate and the House.

Mr. SMOOT. I will say to the Senator that the item will be carefully considered in conference.

Mr. WADSWORTH. I hope the Senate conferees will be willing to discuss it with an open mind with the House conferees.

The amendment was agreed to.

The next amendment was, under the subhead "Capitol Buildings and Grounds," on page 23, line 23, after the word "directory," to strike out "\$90,235.80" and insert "\$100,735.80," so as to make the paragraph read:

Capitol Buildings: For necessary expenditures for the Capitol Building under the jurisdiction of the Architect of the Capitol, including minor improvements, maintenance, repair, equipment, supplies, material, and appurtenances; personal and other services; cleaning and repairing works of art; purchase or exchange, maintenance, and driving of motor-propelled, passenger-carrying office vehicles; and not exceeding \$200 for the purchase of technical and necessary reference books and city directory, \$100,735.80, of which \$23,200 shall be immediately available.

The amendment was agreed to.

The next amendment was, on page 24, line 22, before the figures "\$20,000," to insert "to be immediately available," so as to make the paragraph read:

Extension of the Capitol Grounds: To enable the Architect of the Capitol to remove or provide for the removal of all buildings (except those occupied by Government activities) or other structures upon the land acquired for the enlargement of the Capitol Grounds, including grading and other expenses incident to such removal; and for the preparation of plans for the development of such land as a permanent extension of the Capitol Grounds, including architectural and other personal services and traveling expenses connected therewith, to be immediately available, \$20,000.

The amendment was agreed to.

The next amendment was, under the subhead "Library Building and Grounds," on page 27, line 15, to strike out "\$12,000" and insert "\$14,000," so as to read:

For furniture, including partitions, screens, shelving, and electrical work pertaining thereto and repairs thereof, \$14,000.

The amendment was agreed to.

The next amendment was, under the heading "Library of Congress—Salaries," on page 28, line 25, to strike out "\$559,765" and insert "\$570,745," so as to read:

For the librarian, chief assistant librarian, and other personal services in accordance with the classification act of 1923, \$570,745.

The amendment was agreed to.

The reading of the bill was concluded.

Mr. WARREN. Mr. President, there are three matters which I wish to present, one of which came to us after the bill was made up. The other two smack a little of legislation; hence I am offering them from the floor with the consent of the Committee on Appropriations. I send the first amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 7, after line 9, insert a separate paragraph as follows:

That hereafter when a Senator dies during his term of office the clerical assistants appointed by him, and then borne upon the pay rolls of the Senate, shall be continued on such pay rolls in their respective positions and be paid for a period not longer than two months: *Provided*, That this shall not apply to clerical assistants of standing committees of the Senate when their service otherwise would continue beyond such period.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WARREN. I send to the desk another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 10, line 2, strike out the numerals "\$41,844" and insert in lieu thereof the numerals "\$50,844," so as to make the paragraph read:

For reporting the debates and proceedings of the Senate, payable in equal monthly installments, \$50,844.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WARREN. I send to the desk the third amendment to which I referred.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 33, line 9, after the word "pay," insert a comma and the words "said pay to be at the rate for their regular positions at the time leave is granted."

Mr. KING. May I ask what the amendment refers to?

Mr. WARREN. It refers to the leave of absence of employees of the printing establishment, to allow them to have the same privileges that employees of the departments have—that is, that the pay for their time shall be reckoned at the rate they were enjoying at the time they took their leave.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WARREN. Those are all the amendments the committee has to offer.

Mr. WADSWORTH. Mr. President, may I ask the Senator a question? Was any amendment offered on page 3, lines 9 to 12, in respect to the document-room employees?

Mr. WARREN. No.

Mr. CURTIS. There was one suggested, but not agreed to.

Mr. McKELLAR. I suggested an amendment to the committee this morning, but the committee were unanimously opposed to it.

Mr. WARREN. We are paying more for the principal and the assistants than the House is paying, and it was considered inexpedient and unnecessary to add to the assistant's pay, giving him a larger salary than his superior and giving him \$750 more than the corresponding employee of the House re-

ceives. So we left the salaries as they were—\$3,600 for the chief and \$3,000 for the assistant.

Mr. WADSWORTH. And \$2,400 for the second assistant?

Mr. WARREN. I think so.

Mr. PEPPER. Mr. President, may I ask the chairman of the committee whether consideration has been given to the proposed increase by the House of Representatives in the appropriation for the legislative counsel of the two Houses? I was very much interested in observing that what seemed to me to be mere justice to that very important office in the two branches had been done by the House in raising the appropriation from \$50,000 to \$75,000. I was very hopeful that the committee would have recommended the same course here.

Mr. WARREN. That was considered a few moments ago on the floor and explained before the Senator from Pennsylvania came in. The House raised the pay and struck out what had been presented to them in the form of a provision to allow the legislative counsel the unexpended balance of appropriations heretofore made. We have reversed the matter. We put the pay back at \$50,000 and inserted the provision which gives them the unexpended balance of previous appropriations.

Mr. PEPPER. Will the chairman enlighten me on this point? Where an expense item is divided between the two Houses, as in this case, would there not be difficulty in discussing in conference a situation in which the House had established the higher level and the Senate the lower level?

Mr. WARREN. The House conferees are in the same position as the Senate conferees. It is a 50-50 matter, and their power is exactly the same.

Mr. PEPPER. They are not in a very strong position to stand for anything more than what their half of the increase would be.

Mr. WARREN. We treat those matters together.

Mr. PEPPER. I merely wanted to give to the Senate the benefit of some personal experience I have had with those two offices, which led me to think that they are among the most efficient connected with our legislative establishment.

Mr. WARREN. There are various ideas about that. I get the idea from some Senators that they do not use that service at all, and consider it useless, and want it done away with altogether.

Mr. SMOOT. I agree with the Senator from Pennsylvania that they are a very useful body of men and very useful to the Senate and House. The whole question, I may say to the Senator from Pennsylvania, is going to conference.

Mr. PEPPER. I earnestly hope the conferees will give it their very best consideration.

The PRESIDING OFFICER. The bill is still as in Committee of the Whole and open to amendment. If there are no further amendments to be proposed, the bill will be reported to the Senate.

The bill was reported to the Senate as amended and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session, the doors were reopened.

RECESS

Mr. CURTIS. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate took a recess until to-morrow, Friday, February 11, 1927, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 10 (legislative day of February 9), 1927

AMBASSADORS EXTRAORDINARY AND PLENIPOTENTIARY

Hugh S. Gibson, of California, now envoy extraordinary and minister plenipotentiary to Switzerland, to be ambassador extraordinary and plenipotentiary of the United States of America to Belgium and also envoy extraordinary and minister plenipotentiary to Luxemburg.

Robert Woods Bliss, of New York, now envoy extraordinary and minister plenipotentiary to Sweden, to be ambassador extraordinary and plenipotentiary of the United States of America to Argentina.

ENVOYS EXTRAORDINARY AND MINISTERS PLENIPOTENTIARY

William Phillips, of Massachusetts, now ambassador extraordinary and plenipotentiary to Belgium and also envoy extraordinary and minister plenipotentiary to Luxemburg, to be envoy extraordinary and minister plenipotentiary of the United States of America to the Dominion of Canada.

Frederick A. Sterling, of Texas, now a Foreign Service officer of class 1, assigned as counselor of embassy at London, England, to be envoy extraordinary and minister plenipotentiary of the United States of America to the Irish Free State.

SECRETARIES IN THE DIPLOMATIC SERVICE

Joseph F. McGurk, of New Jersey, now a Foreign Service officer of class 6 and a consular officer with the rank of consul, to be also a secretary in the Diplomatic Service of the United States of America.

Clayson W. Aldridge, of New York, now a Foreign Service officer, unclassified, and a consular officer with the rank of vice consul of career, to be also a secretary in the Diplomatic Service of the United States of America.

Harvey S. Gerry, of the District of Columbia, now a Foreign Service officer, unclassified, and a consular officer with the rank of vice consul of career, to be also a secretary in the Diplomatic Service of the United States of America.

Edwin Schoenrich, of Maryland, now a Foreign Service officer, unclassified, and a consular officer with the rank of vice consul of career, to be also a secretary in the Diplomatic Service of the United States of America.

David Williamson, of Colorado, now a Foreign Service officer, unclassified, and a consular officer with the rank of vice consul of career, to be also a secretary in the Diplomatic Service of the United States of America.

COLLECTOR OF CUSTOMS

John W. Robbins, of Omaha, Nebr., to be collector of customs for customs collection district No. 46, with headquarters at Omaha, Nebr., in place of Charles L. Saunders, deceased.

UNITED STATES COAST GUARD

The following-named officers in the Coast Guard of the United States, to rank as such from dates of commissions:

Temporary ensigns to be ensigns

Henry T. Jewell.	Frank Tomkiel.
Frank E. Pollio.	Kenneth A. Coler.
Donald F. deOtte.	Henry J. Betzmer.
John H. Martin.	George C. Whittlesey.
Irving E. Baker.	Beverly E. Moodey.
Gordon A. Littlefield.	John A. Fletcher.

The above-named officers have met the requirements for appointment in the regular Coast Guard, as set forth in section 5 of the act of July 3, 1926.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

To Ordnance Department

Capt. Morris Keene Barroll, jr., Coast Artillery Corps (detailed in Ordnance Department), with rank from December 23, 1919.

First Lieut. Arthur Richardson Baird, Infantry (detailed in Ordnance Department), with rank from July 1, 1920.

To Field Artillery

Capt. David Wilson Craig, Ordnance Department, with rank from September 25, 1919.

Capt. John Jacob Bethurum, Infantry, with rank from July 1, 1920.

PROMOTIONS IN THE REGULAR ARMY

To be captain

First Lieut. John Ter Bush Bissell, Field Artillery, from February 5, 1927.

To be first lieutenant

Second Lieut. James Madison Callicutt, Field Artillery, from February 5, 1927.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 10 (legislative day of February 9), 1927

UNITED STATES ATTORNEY

Amos W. W. Woodcock to be United States attorney, district of Maryland.

POSTMASTERS

CALIFORNIA

Edwin F. Heisser, Glendale.
Charles E. Van Der Oef, Hawthorne.
Bertram C. McMurray, Lancaster.
Alice E. Tate, Lone Pine.

DELAWARE

Rhubert R. German, Delmar.

FLORIDA

Bessie S. May, Holly Hill.
Thomas E. Farrell, Ojus.

ILLINOIS

Marion F. Watt, Atlanta.
Sheldon J. Porterfield, Chatsworth.
Arthur G. Arnin, Columbia.
Thomas E. Richardson, Flanagan.
Seymour Van Deusen, Greenville.
Ross O. Bell, Heyworth.
George H. Bargh, Kinmundy.
Ray W. Birch, Neoga.
Gerald B. Weiss, Shipman.

INDIANA

Allen J. Wilson, Danville.
Irah M. Dausman, Goshen.
Vernon D. Macy, Mooresville.
Stella D. Evans, Russellville.

LOUISIANA

Adrian I. Wilcombe, Hammond.
Theophile P. Talbot, Napoleonville.
James L. Love, Olla.
Dudley V. Wigner, Vidalia.

MONTANA

Roy W. Broman, Ismay.
Estella K. Smith, Lima.
Joseph Brooks, Livingston.
Duncan Gillespie, Windham.

OKLAHOMA

Elmer D. Rook, Sayre.
Edith B. Foster, Wagoner.

WASHINGTON

Tolaver T. Richardson, Northport.
Robert L. Wright, Omak.
Frank Givens, Port Orchard.
Edward Hinkley, Snohomish.

HOUSE OF REPRESENTATIVES

THURSDAY, February 10, 1927

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our heavenly Father and our God, who smiles in the sunshine, sings the song of gladness in the outstretched sky, in flowers, in the throats of birds, and in the laughter of little children, keep our hearts in tune with Thee. May we not allow anything to kill our finer natures. We would that every sweet, simple thing in all the earth be symbolic of some joyous, wonderful mystery to be revealed. O Thou who art the Ancient of Days, who led our fathers to summits of faith and assurance, lead us on. Help us in the mightier matters of life; always may we feel the supreme obligation to leave the world better and more cheerful for having passed this way. We pray in the holy name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

CONSTRUCTION OF DEEP WATERWAY

Mr. DOWELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a resolution passed by the Iowa General Assembly relative to construction of a deep St. Lawrence waterway and the improvement of the Mississippi River.

The SPEAKER. The gentleman from Iowa asks unanimous consent to extend his remarks in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

Mr. DOWELL. Mr. Speaker, under the leave to extend my marks in the RECORD, I include the following house concurrent resolution of the Legislature of Iowa:

House Concurrent Resolution 3

Be it resolved by the house (the senate concurring)—

Whereas the vast interior of the United States is without water transportation or direct access to the oceans, and as there reside in this area about 40,000,000 people, who make their livelihood, directly or indirectly, out of the basic industry, agriculture, and the increased transportation costs to world markets from the mid-continent have had serious results to agriculture, affecting this section from 6 to 18